U.S. FINANCIAL DATA

Week ending: December 28, 1977

The monetary base, the prime determinant of the growth of the money stock, increased 8.7 percent over the past year, while the narrowly defined money stock (M1) increased 7.3 percent and the more broadly defined money stock (M2) increased 9 percent. The monetary base grew more rapidly during the second half of the year (at a 9.8 percent annual rate) than during the first half of the year (at a 7.7 percent rate). The pattern of M1 growth during the year followed the growth of the base, rising at a 6.5 percent annual rate during the first six months of the year, and at a faster 8.2 percent rate during the most recent six months. In contrast, M2 grew at a slightly slower rate in the second half of the year than in the first half.

The varying growth rates of the components of M1 and M2 indicate how each contributed to the different pattern of M2 growth relative to M1. A reduced growth of net time deposits (a component of M2 but not of M1) during the last six months overwhelmed the accelerated growth of both demand deposits and currency, resulting in the slower rate of growth of M2. An important factor affecting the growth of net time deposits was the differential between the maximum rates of interest which banks are allowed by statute to pay on these deposits and the market rates of interest on alternative securities. As market rates of interest rise toward these ceiling rates, the incentive for individuals to hold time deposits is weakened. Short-term market interest rates rose during most of 1977, and by the fourth quarter were very close to the ceiling levels on time deposits.

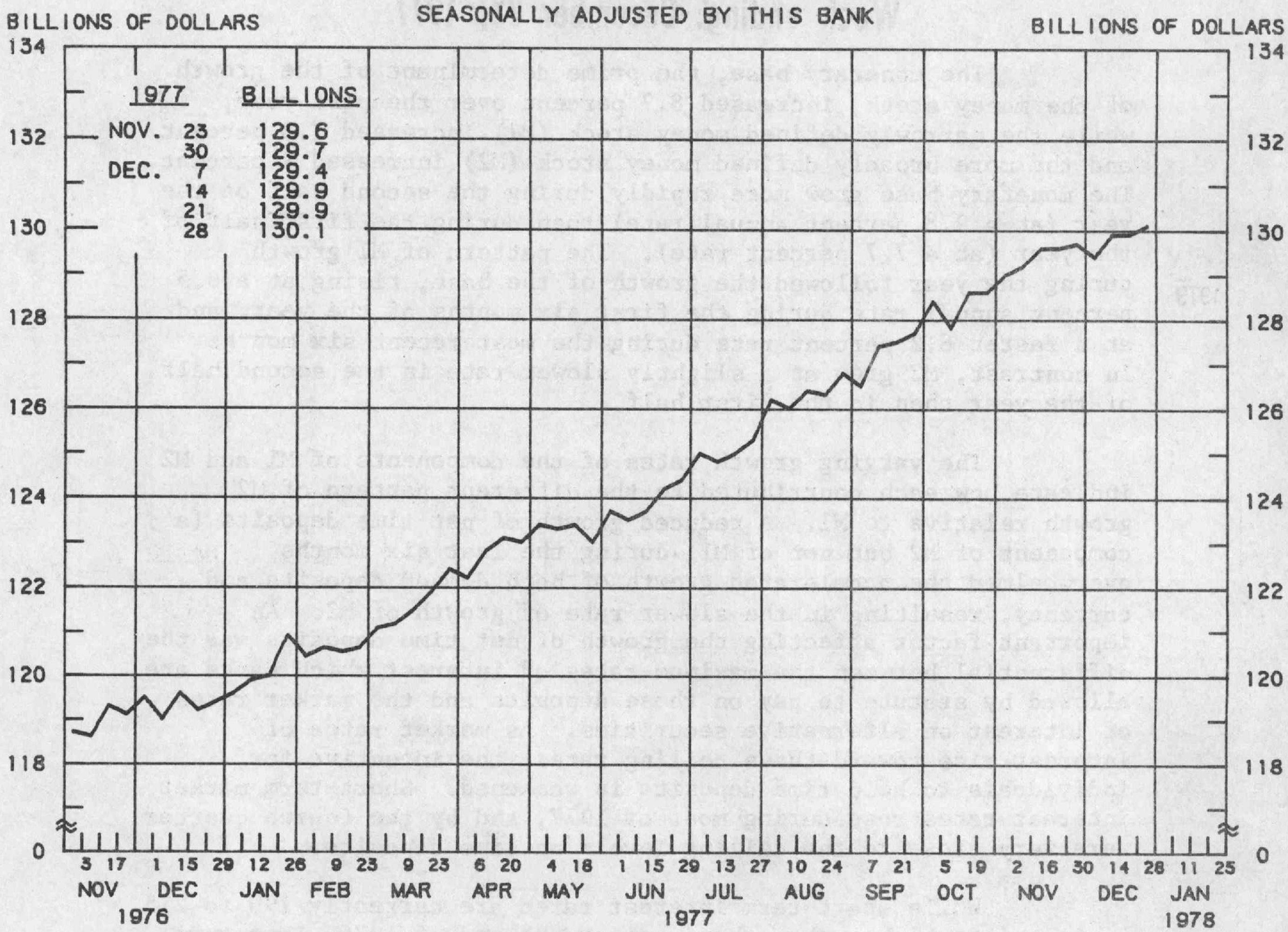
While short-term interest rates are currently 190 to 215 basis points higher than they were at the end of 1976, long-term interest rates have not changed as much. The yield on corporate Aaa bonds is currently 31 basis points higher than a year ago, while an average of yields on long-term Treasury securities (10 years and over) is currently 68 basis points higher than a year ago. In contrast, the average yield on municipal bonds is currently 38 basis points lower than a year ago. With short-term rates rising more rapidly than long-term rates, the yield curve has flattened during 1977.

Growth Rates of Monetary Aggregates
(Compound Annual Rates)

Average of Four Weeks Ending	Base	M1	M2	Demand Deposits	Net Time Deposits	Currency
12/22/76 - 12/21/77	8.7%	7.3%	9.0%	6.5%	10.3%	9.7%
12/22/76 - 6/22/77	7.7	6.5	9.2	5.6	11.2	9.2
6/22/77 - 12/21/77	9.8	8.2	8.9	7.4	9.5	10.2

Prepared by Federal Reserve Bank of St. Louis
Released: December 30, 1977

MONETARY BASE
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 28, 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.

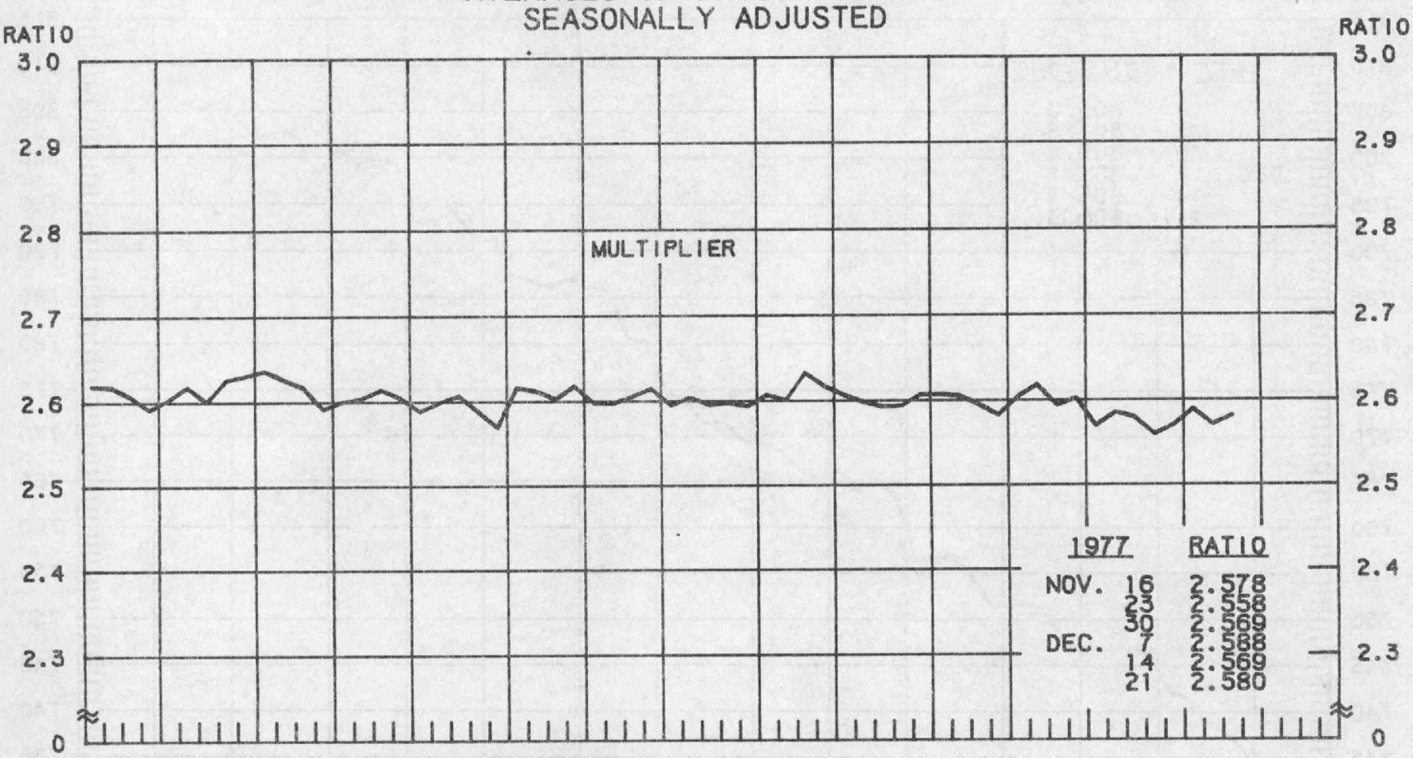
MONETARY BASE

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

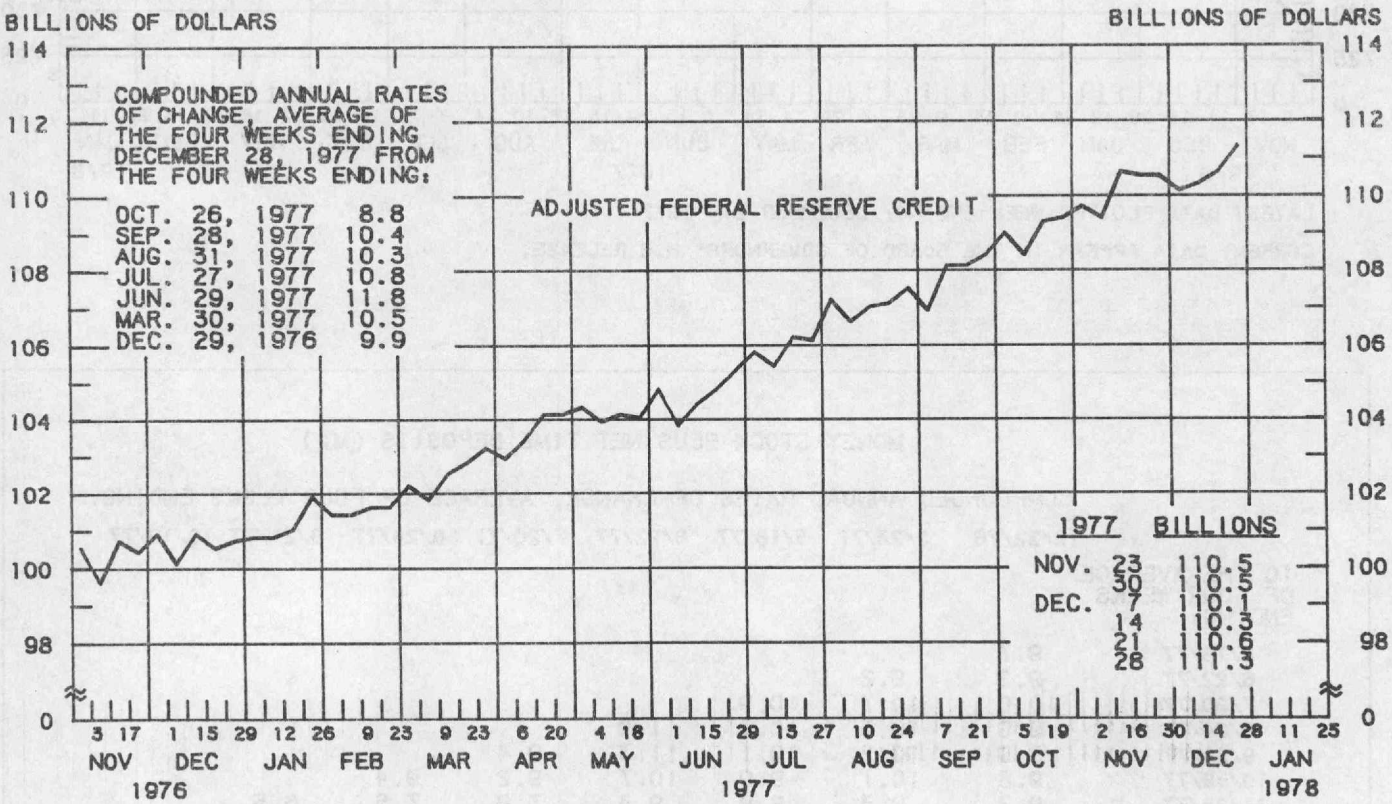
TO THE AVERAGE OF FOUR WEEKS ENDING:	12/29/76	3/30/77	5/25/77	6/29/77	7/27/77	8/31/77	9/28/77	10/26/77
5/25/77	8.5							
6/29/77	8.0	7.4						
7/27/77	8.4	8.3	8.2					
8/31/77	9.0	9.2	9.7	11.7				
9/28/77	9.0	9.2	9.7	11.1	11.1			
10/26/77	9.3	9.6	10.1	11.3	11.3	10.7		
11/30/77	9.3	9.5	9.9	10.8	10.8	10.2	10.4	
12/28/77	8.8	8.9	9.0	9.6	9.3	8.5	8.1	6.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 21, 1977



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 28, 1977

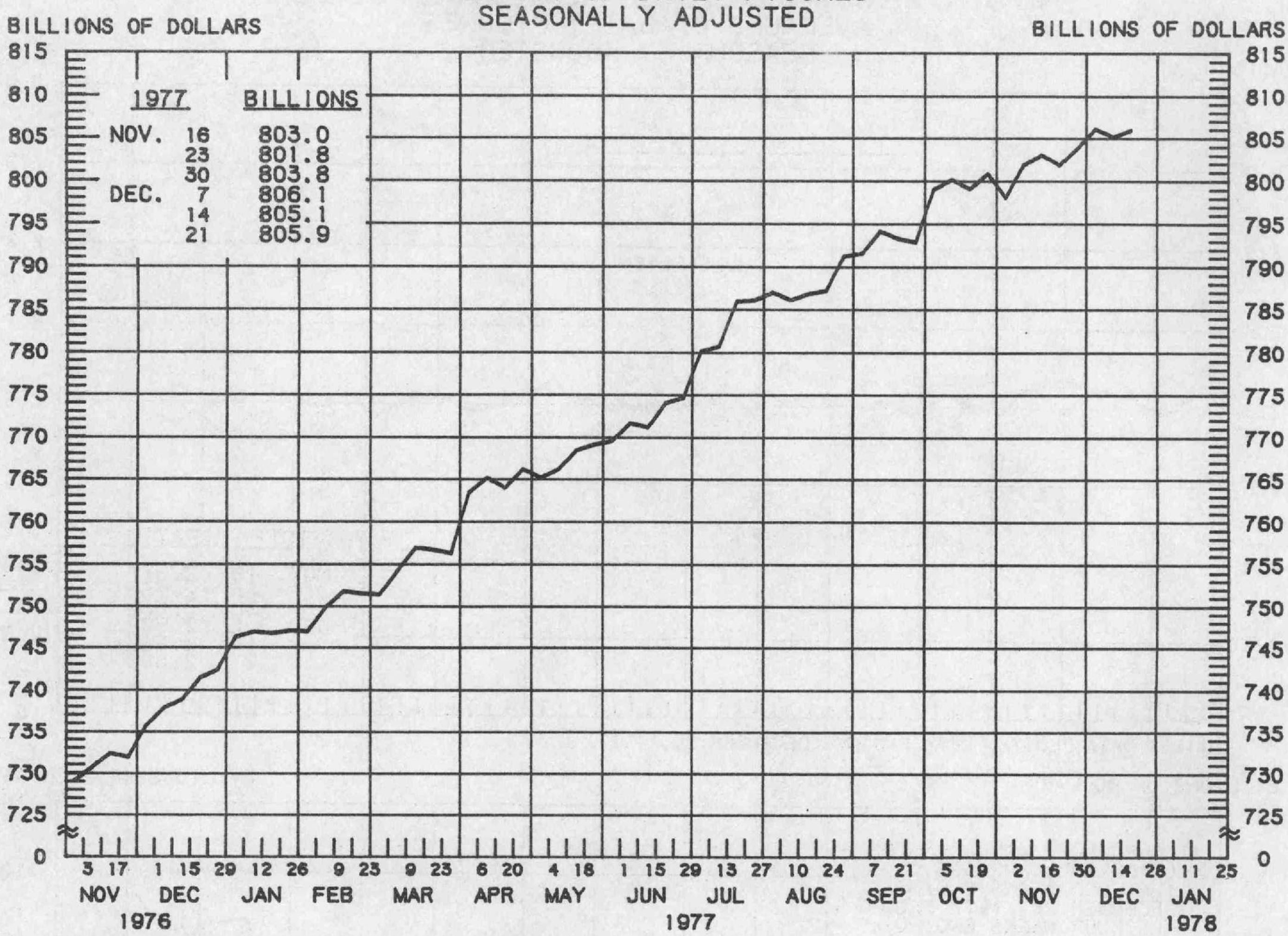
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS NET TIME DEPOSITS (M2)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 21, 1977

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

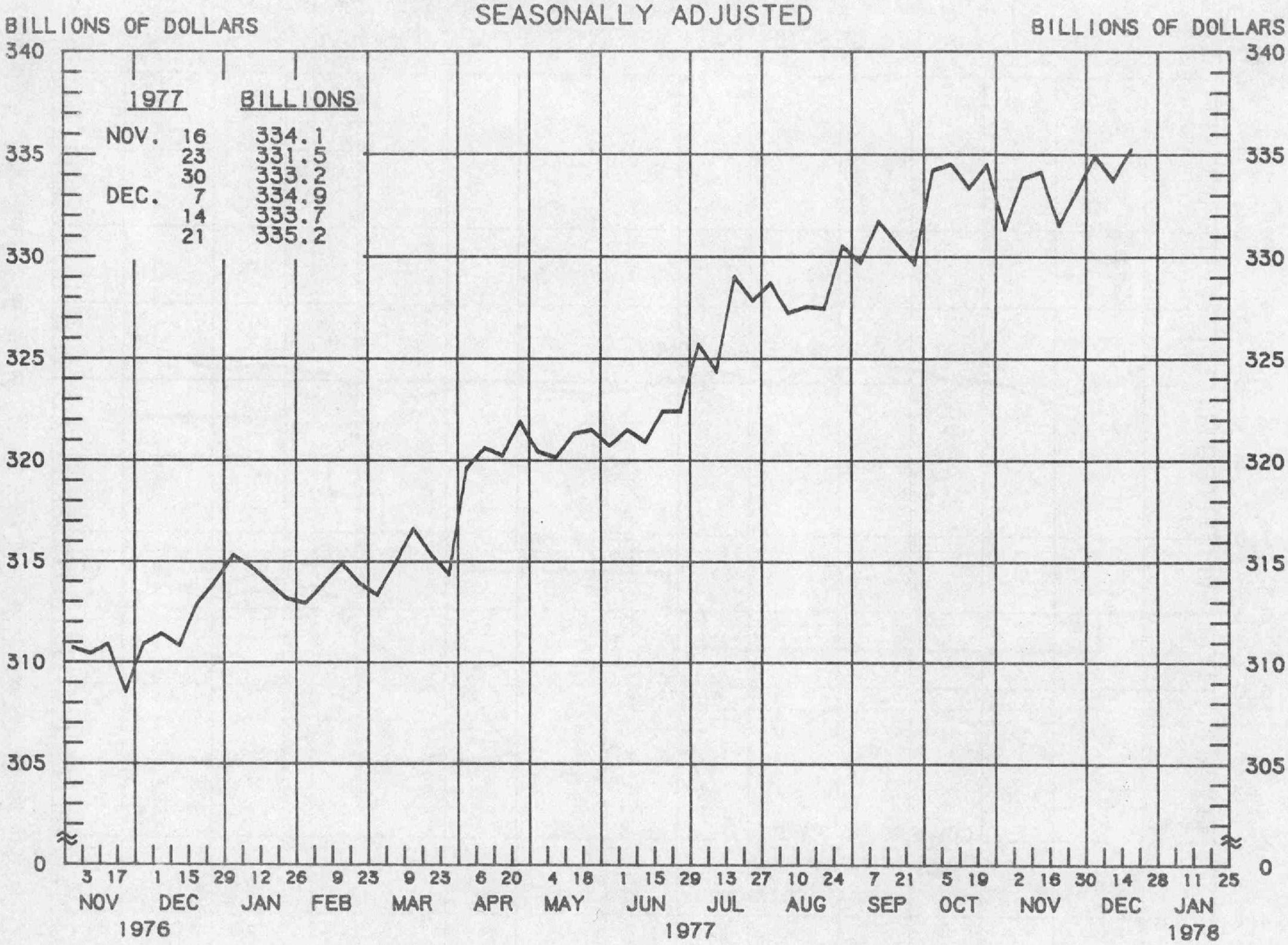
MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	12/22/76	3/23/77	5/18/77	6/22/77	7/20/77	8/24/77	9/21/77	10/19/77
5/18/77	9.7							
6/22/77	9.2	9.2						
7/20/77	10.0	10.7	10.9					
8/24/77	9.9	10.3	10.2	11.9				
9/21/77	9.9	10.2	10.1	11.3	9.4			
10/19/77	9.8	10.1	9.9	10.7	9.2	9.4		
11/23/77	9.2	9.3	8.9	9.3	7.9	7.5	6.5	
12/21/77	9.0	9.0	8.6	8.9	7.7	7.3	6.6	5.6

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 21, 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)

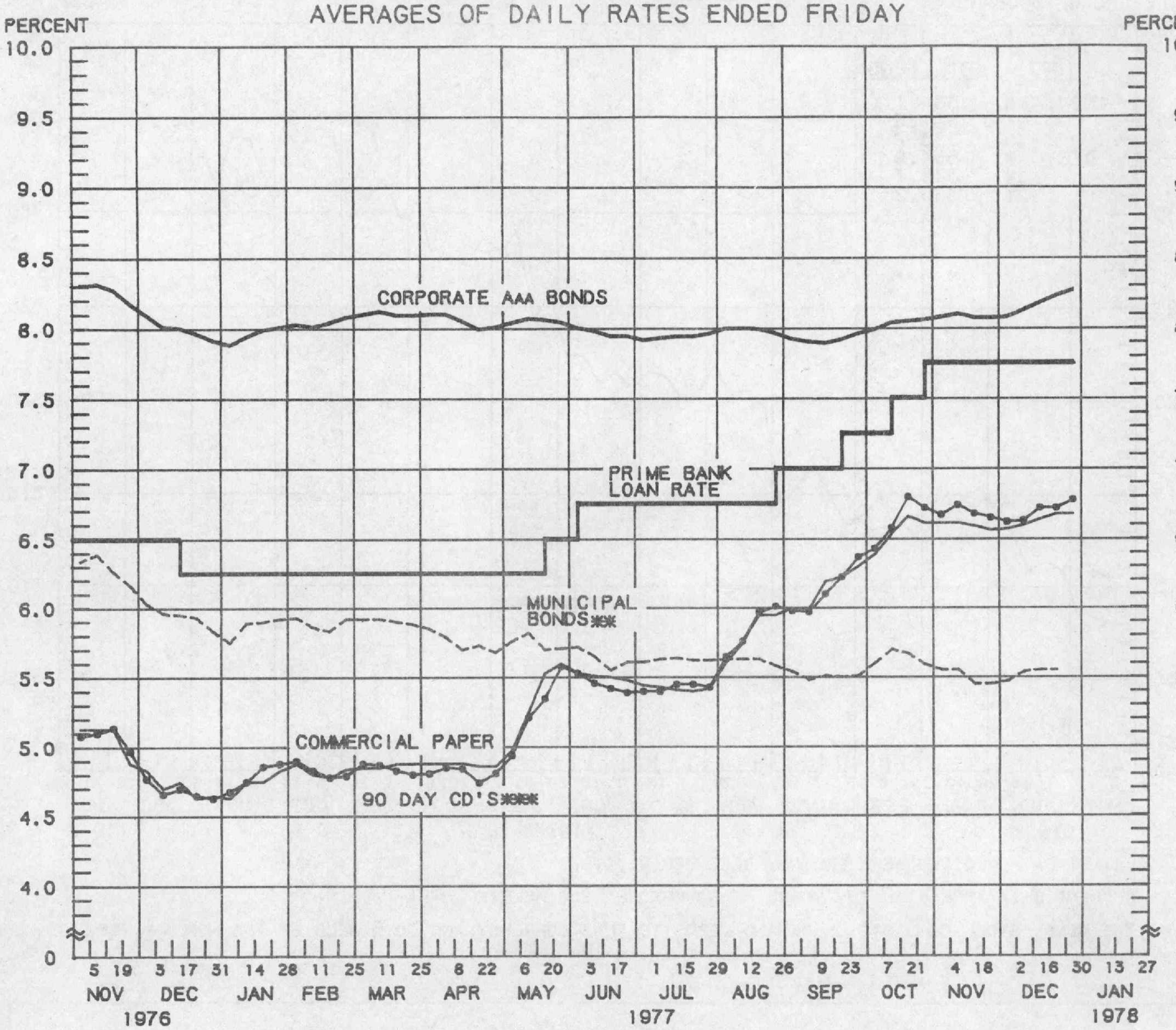
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE OF FOUR WEEKS ENDING:	12/22/76	3/23/77	5/18/77	6/22/77	7/20/77	8/24/77	9/21/77	10/19/77
5/18/77	7.6							
6/22/77	6.5	8.4						
7/20/77	7.9	10.4	8.4					
8/24/77	7.8	9.8	8.1	11.9				
9/21/77	8.3	10.2	9.0	12.0	9.6			
10/19/77	8.4	10.1	9.1	11.4	9.5	10.8		
11/23/77	7.4	8.5	7.2	8.5	6.6	6.2	3.7	
12/21/77	7.3	8.3	7.1	8.2	6.6	6.3	4.6	2.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 30, 1977

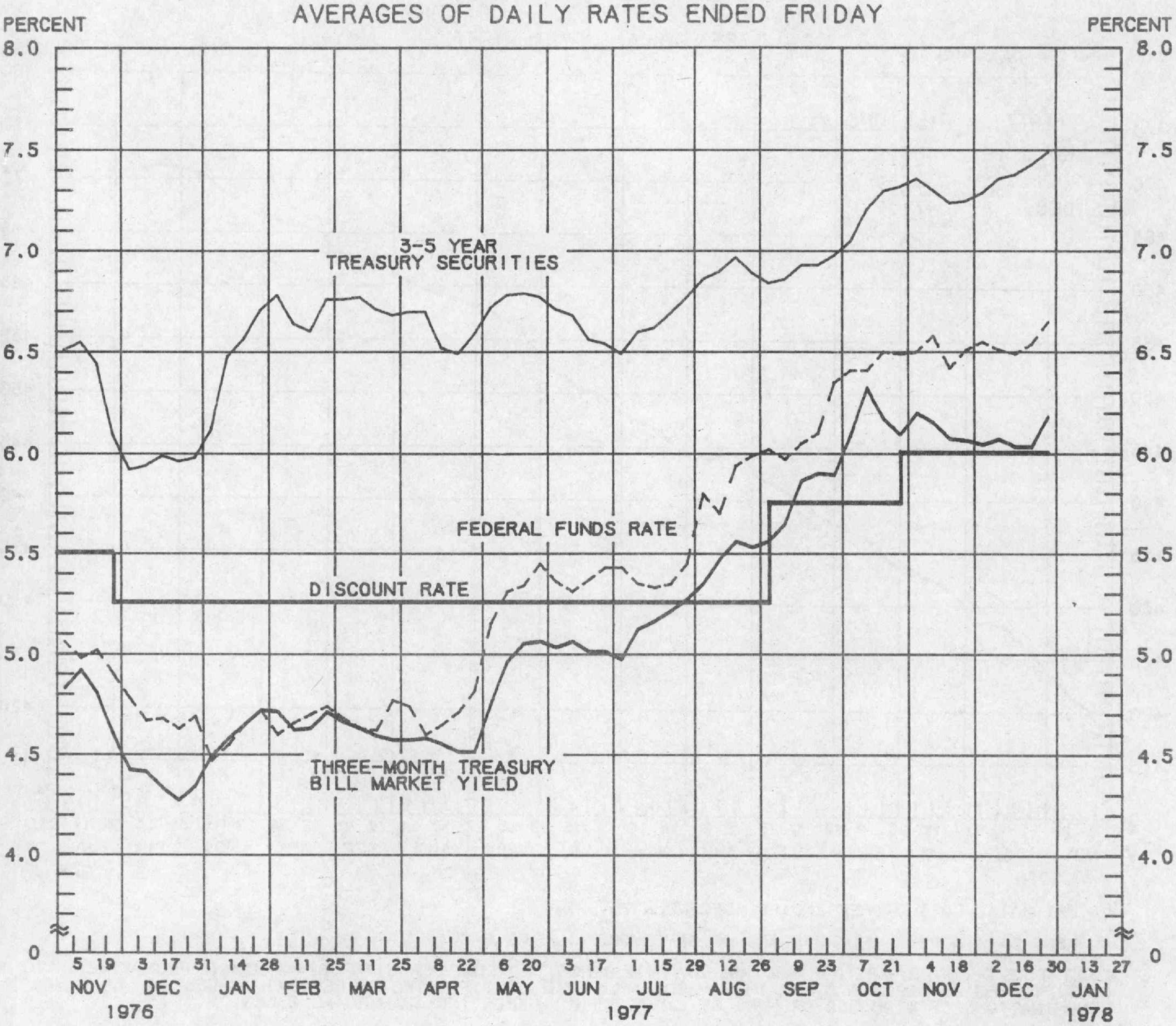
1978	90 DAY CD'S ***	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS **
NOV. 4	6.67	6.61	6.69	8.08	5.55
11	6.74	6.61	6.66	8.10	5.55
18	6.68	6.59	6.57	8.07	5.45
25	6.65	6.56	6.51	8.07	5.45
DEC. 2	6.62	6.57	6.46	8.08	5.47
9	6.63	6.60	6.55	8.13	5.54
16	6.72	6.64	6.57	8.18	5.55
23	6.72	6.68	6.65	8.23	5.55
30 *	6.78	6.68	6.70	8.27	N.A.
JAN. 6					
13					
20					
27					

* 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



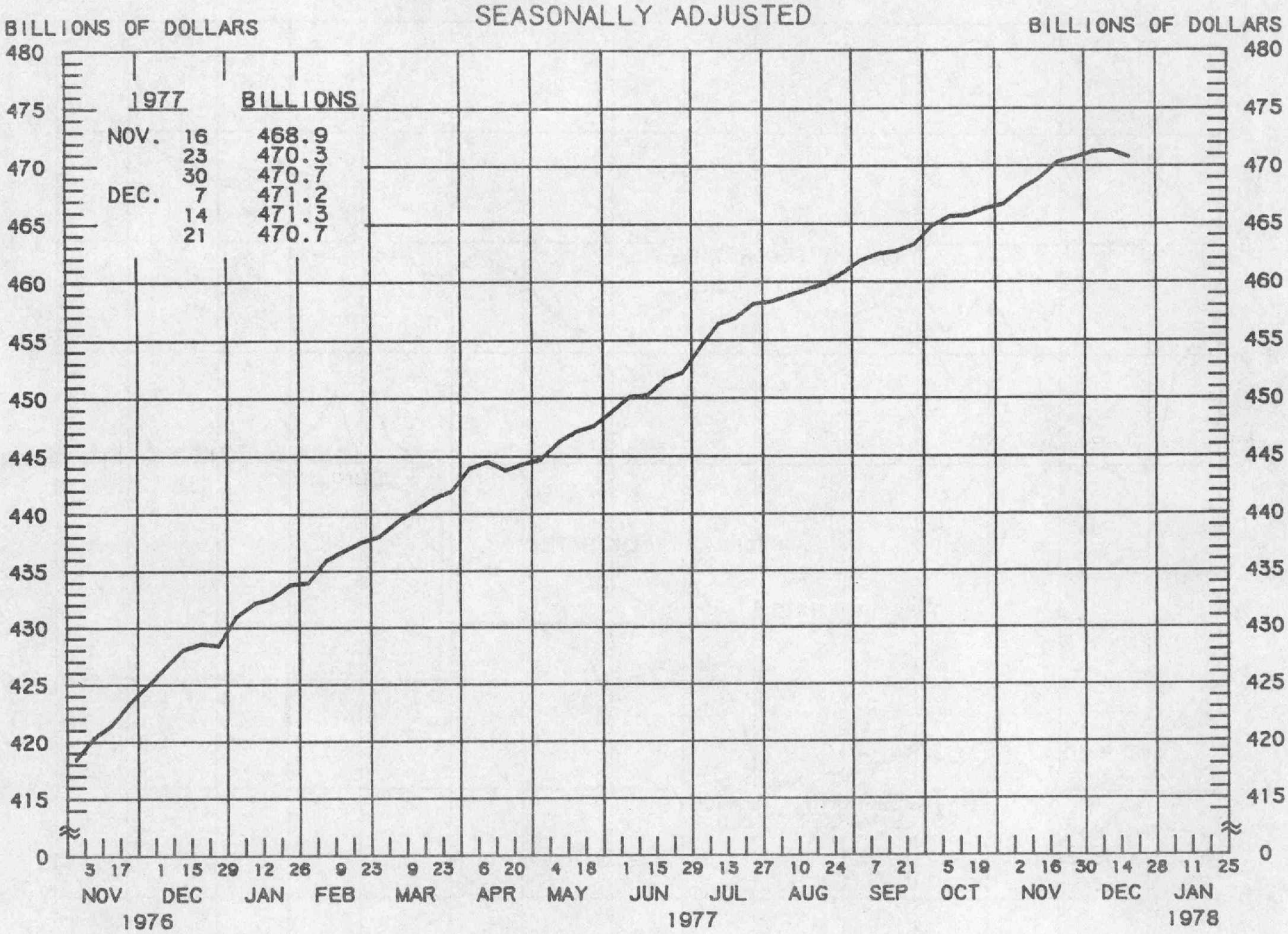
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 30, 1977

1978	FEDERAL FUNDS **	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	6.07	6.49	7.24	7.67
25	6.51	6.06	6.48	7.25	7.65
DEC. 2	6.55	6.04	6.49	7.29	7.66
9	6.51	6.07	6.52	7.36	7.71
16	6.49	6.03	6.50	7.38	7.74
23	6.54	6.03	6.53	7.43	7.80
30 *	6.65	6.18	6.58	7.49	7.86
JAN. 6					
13					
20					
27					

* 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: DECEMBER 21, 1977

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

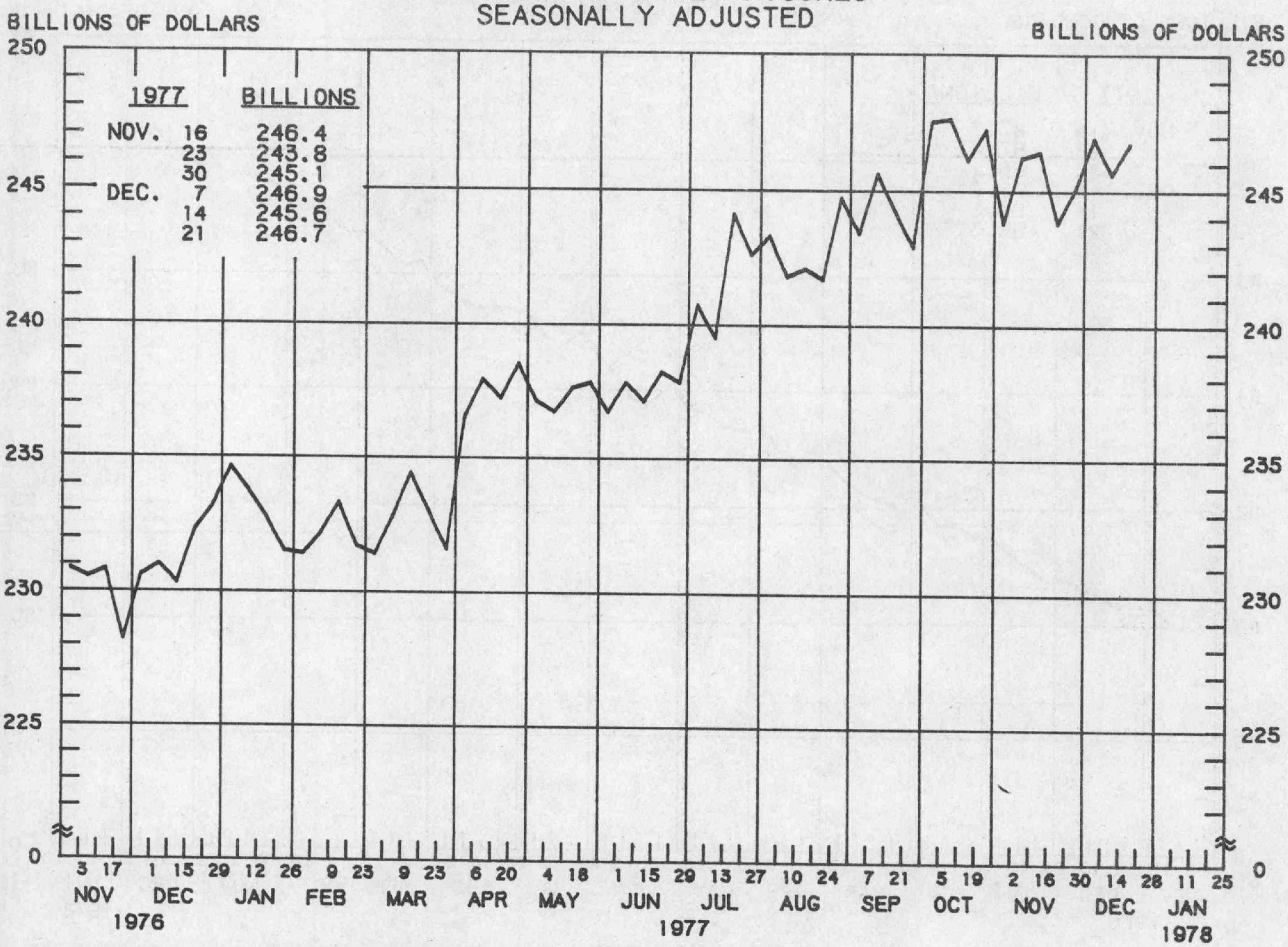
* NET TIME DEPOSITS ARE DEFINED AS: SAVINGS DEPOSITS, TIME DEPOSITS OPEN ACCOUNT PLUS TIME CERTIFICATES OF DEPOSIT OTHER THAN NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF $100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

NET TIME DEPOSITS

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	12/22/76	3/23/77	5/18/77	6/22/77	7/20/77	8/24/77	9/21/77	10/19/77
5/18/77	11.2							
6/22/77	11.2	9.9						
7/20/77	11.7	11.0	12.8					
8/24/77	11.4	10.7	11.7	12.0				
9/21/77	11.1	10.4	10.9	10.8	9.1			
10/19/77	10.8	10.1	10.5	10.3	8.9	8.4		
11/23/77	10.6	9.9	10.1	9.9	8.8	8.4	8.5	
12/21/77	10.3	9.6	9.7	9.5	8.5	8.1	8.1	8.0

DEMAND DEPOSIT COMPONENT OF MONEY STOCK
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 21, 1977
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

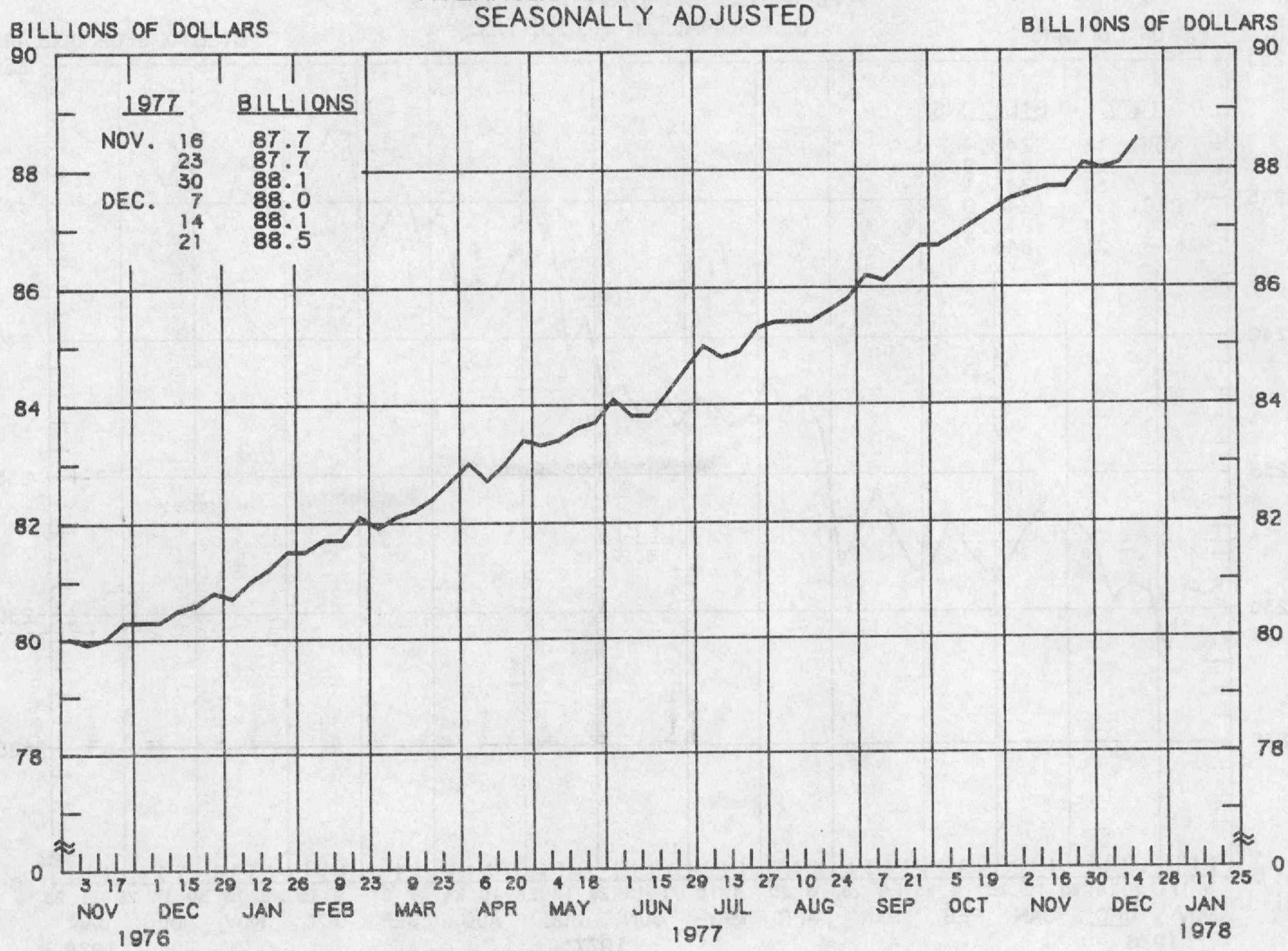
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	12/22/76	3/23/77	5/18/77	6/22/77	7/20/77	8/24/77	9/21/77	10/19/77
5/18/77	7.0							
6/22/77	5.6	8.1						
7/20/77	7.2	10.3	7.5					
8/24/77	7.2	9.7	7.6	12.0				
9/21/77	7.8	10.2	8.8	12.3	10.0			
10/19/77	7.8	9.9	8.7	11.4	9.5	10.6		
11/23/77	6.6	7.9	6.3	7.7	5.6	4.9	1.4	
12/21/77	6.5	7.6	6.1	7.4	5.6	5.0	2.6	0.2

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 21, 1977

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

CURRENCY

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	12/22/76	3/23/77	5/18/77	6/22/77	7/20/77	8/24/77	9/21/77	10/19/77
5/18/77	9.5							
6/22/77	9.2	9.1						
7/20/77	9.7	10.0	10.1					
8/24/77	9.6	9.8	9.7	10.8				
9/21/77	9.6	9.7	9.6	10.4	9.2			
10/19/77	9.9	10.1	10.2	10.9	10.3	11.1		
11/23/77	9.7	9.9	9.9	10.4	9.8	10.2	10.5	
12/21/77	9.7	9.8	9.8	10.2	9.7	10.0	10.1	9.0

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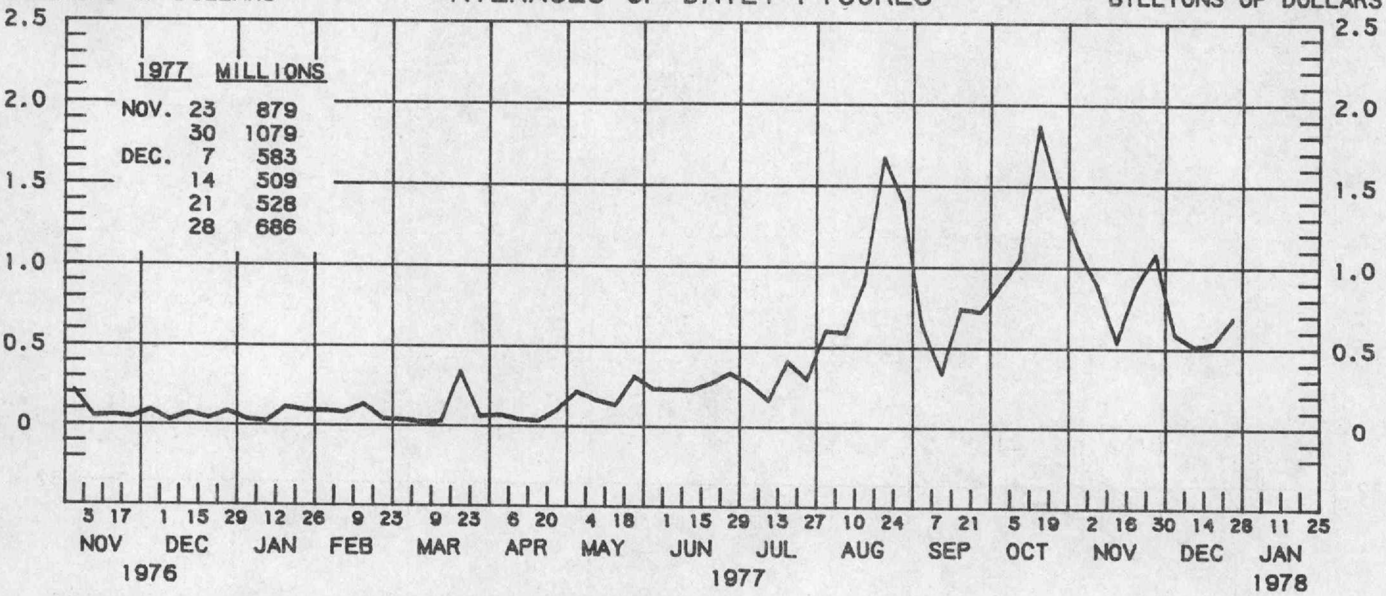
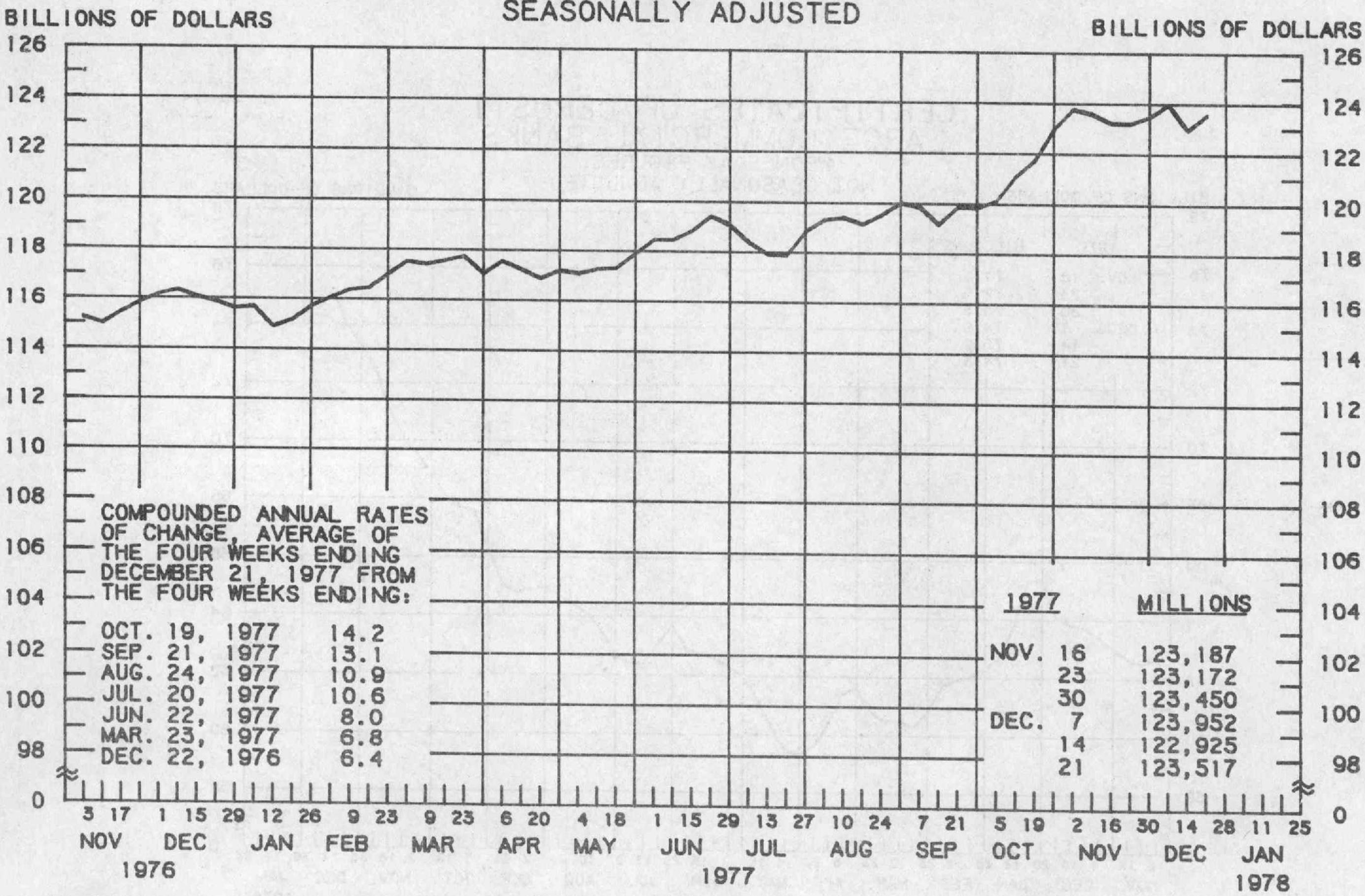
BORROWINGS FROM FEDERAL RESERVE BANKS
ALL MEMBER BANKS IN THE NATION
AVERAGES OF DAILY FIGURES



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 28, 1977

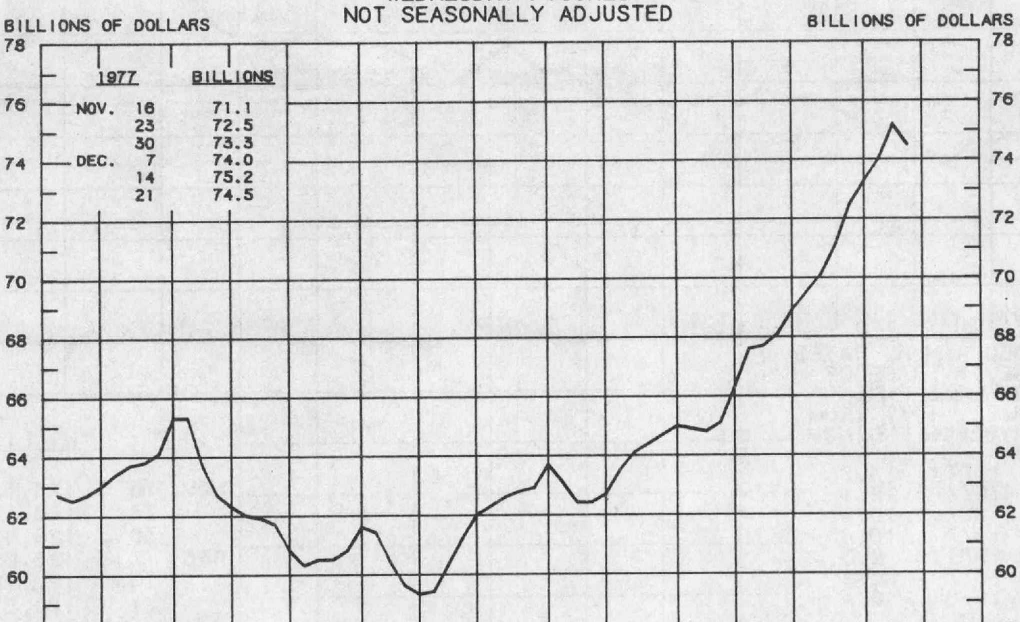
BUSINESS LOANS
(COMMERCIAL AND INDUSTRIAL)
WEEKLY REPORTING LARGE COMMERCIAL BANKS
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 21, 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: DECEMBER 21, 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