

U.S. FINANCIAL DATA

Week ending: January 11, 1978



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Federal Reserve Banks raised their discount rates from 6 percent to 6.5 percent during the past week. The Board of Governors indicated that this action, announced Friday, January 6, after securities markets had closed, was taken to support the value of the dollar relative to foreign currencies. On Monday, interest rates on U.S. Government securities rose sharply in response to this action by the Federal Reserve. From the average of the week ending January 6 to the average of rates available in the most recent week, interest rates rose 46 basis points on three-month Treasury bills, 38 basis points on one-year Treasury bills, 27 basis points on 3-5 year Treasury securities, and 13 basis points on long-term Treasury securities.

The prime bank loan rate was increased from 7.75 percent to 8 percent by most large banks this past week, in line with the upward movements of other interest rates. The previous prime rate increase was in late October of last year, from 7.50 percent to 7.75 percent. 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.

Although support of the dollar was the primary reason for the recent increase in the discount rate, such an action in the past week was consistent with the way the Federal Reserve has adjusted the discount rate to changes in market interest rates in recent months. When the spread between the Federal funds rate and the discount rate has widened to about 75 basis points, the Federal Reserve has raised the discount rate. For example, prior to the discount rate increase in early September of last year the differential between the Federal funds rate and the discount rate had risen to about 75 basis points, and member bank borrowings had risen to a peak of about \$1.7 billion. Again, in late October when this differential had risen to about 75 basis points and member bank borrowings had risen to almost \$2 billion, the discount rate was increased. Just prior to the most recent discount rate increase the differential between the Federal funds rate and the discount rate rose to almost 70 basis points. Although member bank borrowings had remained relatively stable at just over \$500 million for several weeks, the widening differential between the Federal funds rate and the discount rate was creating a potential for additional sharp increases in member bank borrowings.

Prepared by Federal Reserve Bank of St. Louis

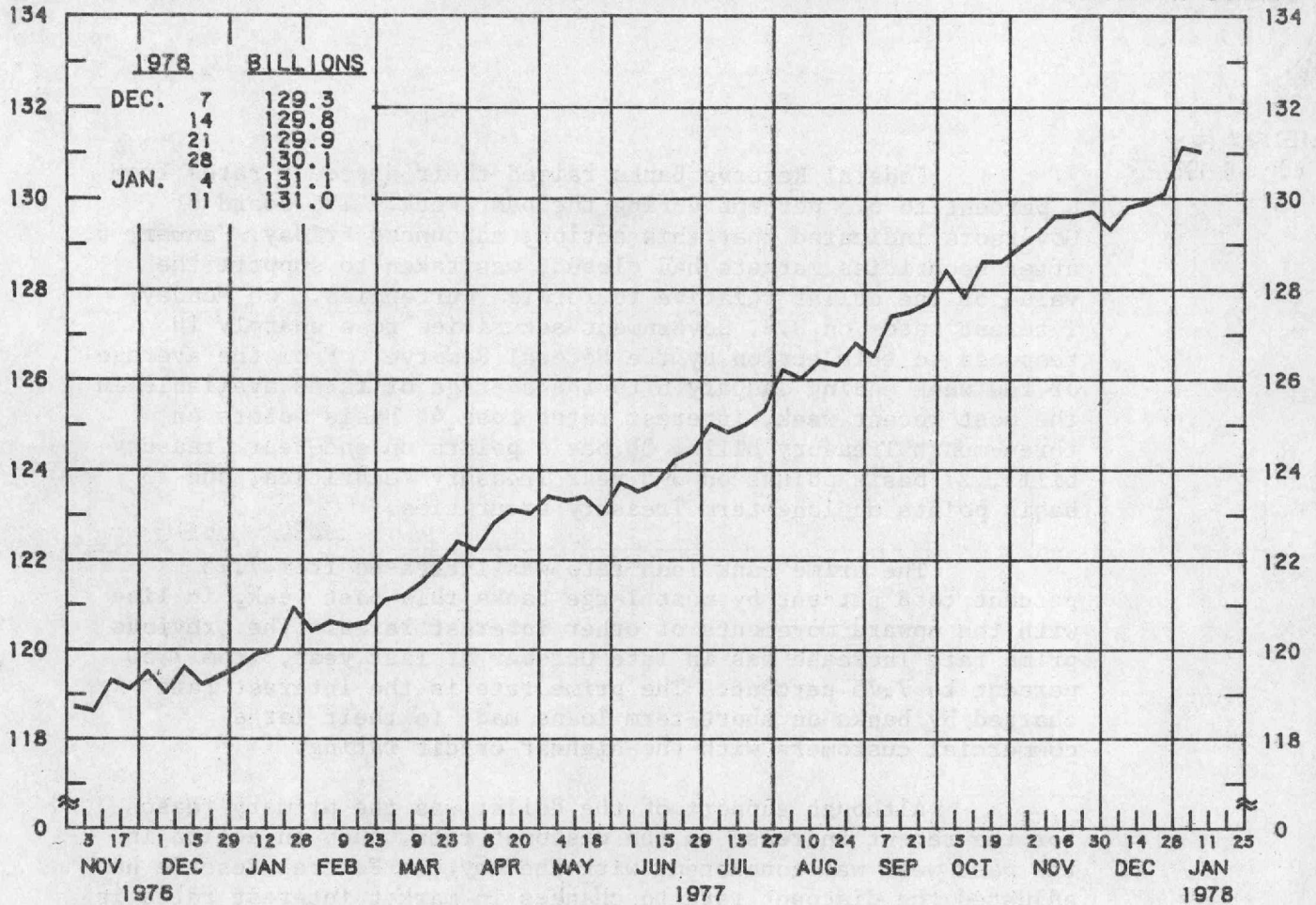
Released: January 13, 1978

MONETARY BASE

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 11, 1978

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

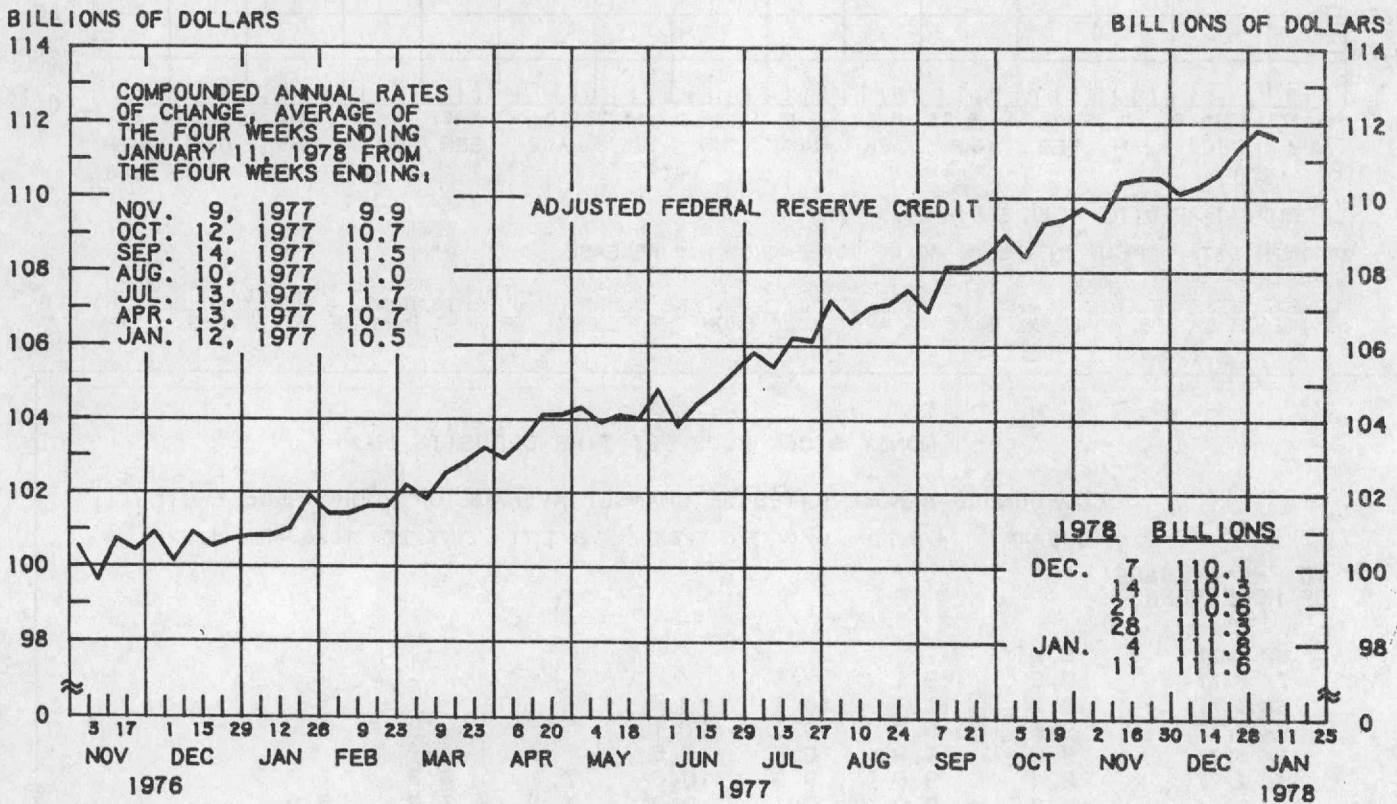
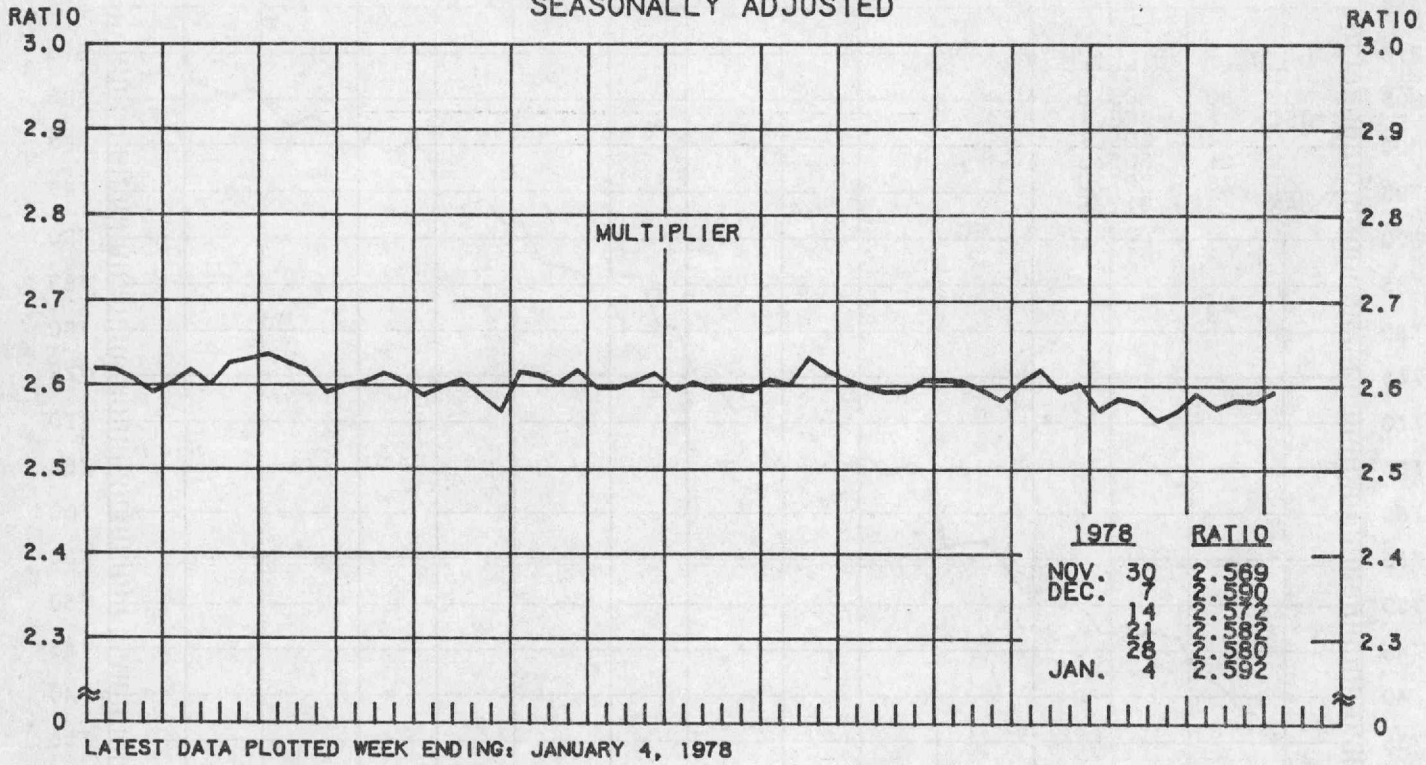
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

1/12/77 4/13/77 6/8/77 7/13/77 8/10/77 9/14/77 10/12/77 11/9/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

8/ 8/77	8.3							
7/13/77	8.7	7.7						
8/10/77	9.0	8.5	10.7					
9/14/77	9.2	8.9	10.6	10.6				
10/12/77	9.5	9.4	10.9	11.0	11.1			
11/ 9/77	9.5	9.4	10.7	10.7	10.6	10.7		
12/14/77	9.2	9.0	9.9	9.7	9.5	9.1	7.9	
1/11/78	9.2	9.0	9.8	9.7	9.5	9.2	8.4	7.9

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

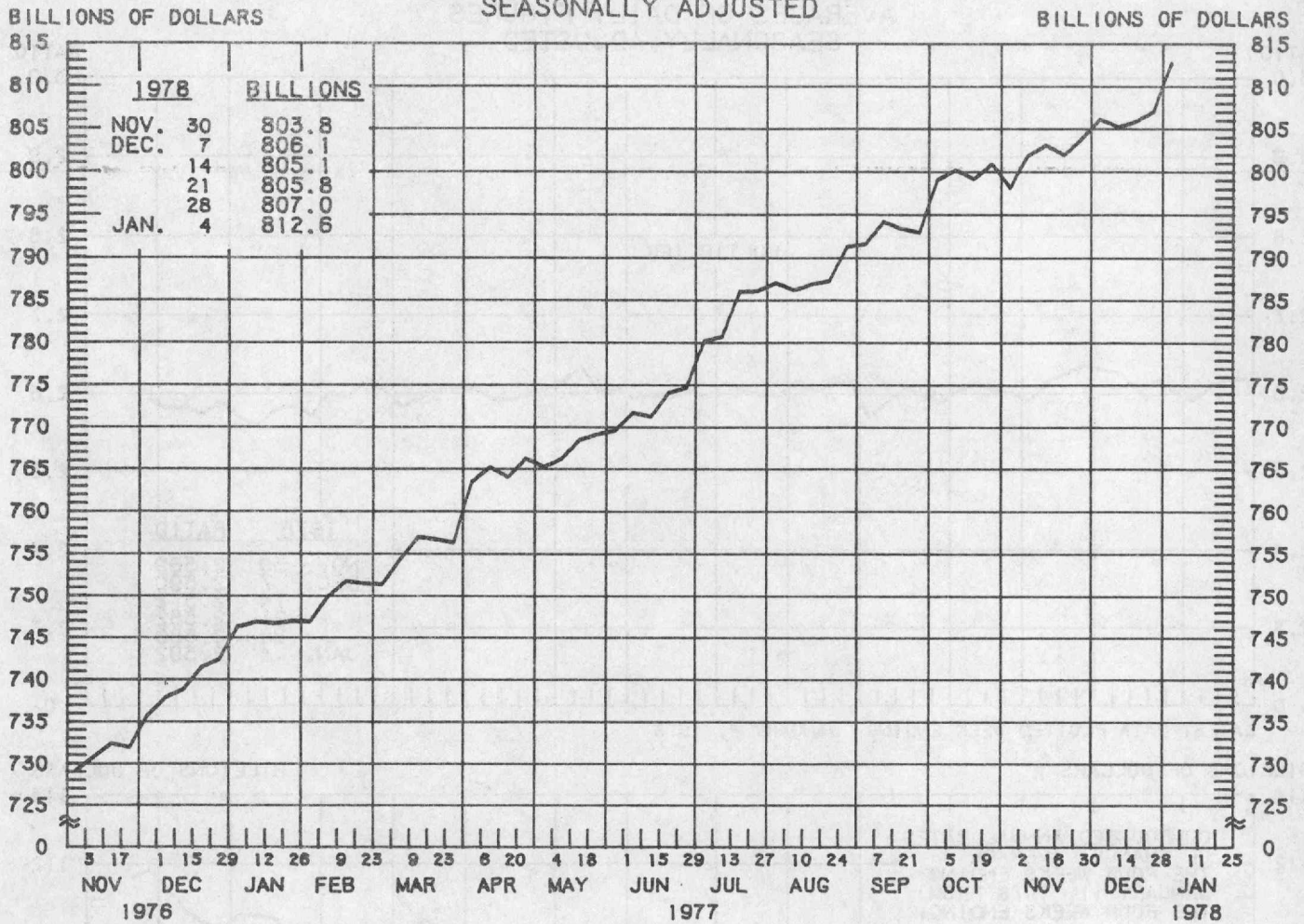


1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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



LATEST DATA PLOTTED WEEK ENDING: JANUARY 4, 1978

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:

1/5/77 4/6/77 6/1/77 7/6/77 8/3/77 9/7/77 10/5/77 11/2/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

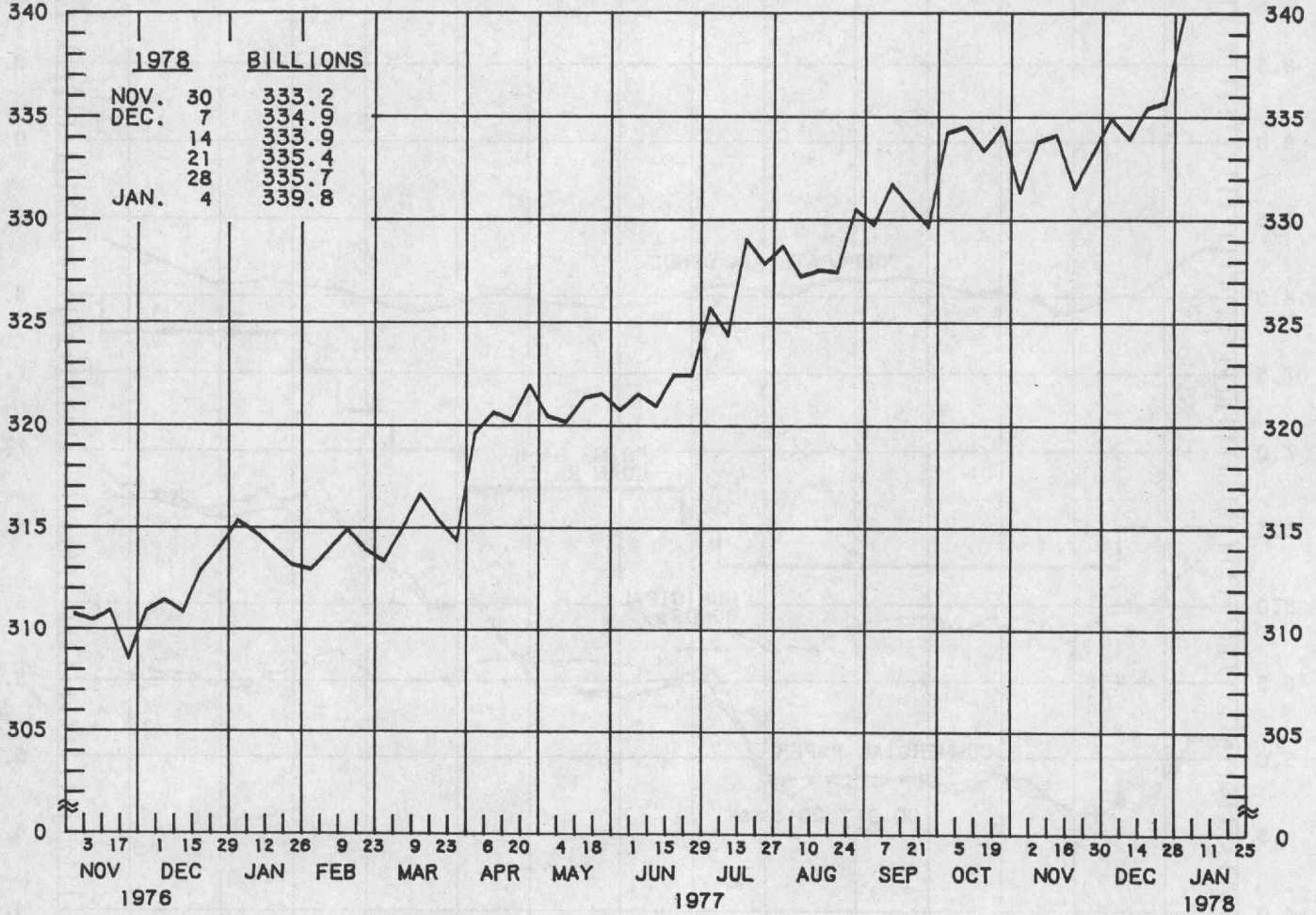
6/ 1/77	8.9							
7/ 6/77	9.0	9.1						
8/ 3/77	10.2	11.1	13.1					
9/ 7/77	9.6	9.9	10.5	11.1				
10/ 5/77	9.6	9.9	10.3	10.6	7.5			
11/ 2/77	9.4	9.6	9.9	10.0	7.7	8.8		
12/ 7/77	9.0	9.0	9.1	9.0	7.1	7.6	6.6	
1/ 4/78	8.8	8.8	8.7	8.6	7.0	7.3	6.6	6.0

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 4, 1978

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:

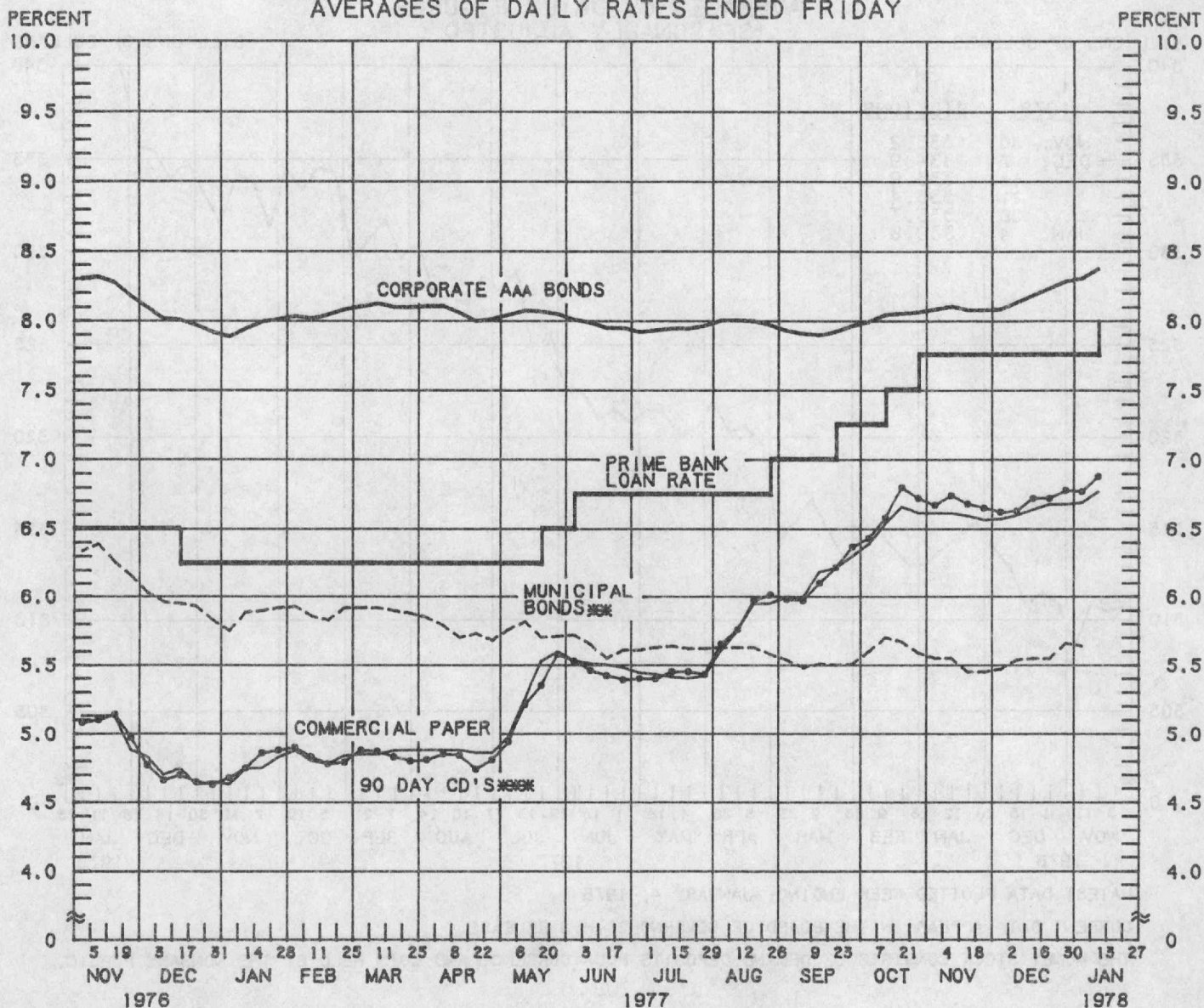
1/5/77 4/6/77 6/1/77 7/6/77 8/3/77 9/7/77 10/5/77 11/2/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

6/ 1/77	6.1								
7/ 6/77	6.2	8.3							
8/ 3/77	8.0	11.0	12.5						
9/ 7/77	7.4	9.4	9.5	11.0					
10/ 5/77	7.8	9.7	9.8	11.1	7.3				
11/ 2/77	7.8	9.4	9.5	10.3	7.4	9.5			
12/ 7/77	7.0	8.0	7.6	7.9	5.3	5.7	3.4		
1/ 4/78	7.3	8.4	8.1	8.4	6.4	7.0	5.8	5.0	

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JANUARY 13, 1978

1978	90 DAY CD'S <small>***</small>	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS <small>***</small>
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	6.71	8.28	5.66
JAN. 6	6.77	6.69	6.71	8.30	5.64
13 *	6.88	6.77	6.99	8.37	N.A.
20					
27					

* AVERAGES OF RATES AVAILABLE.

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

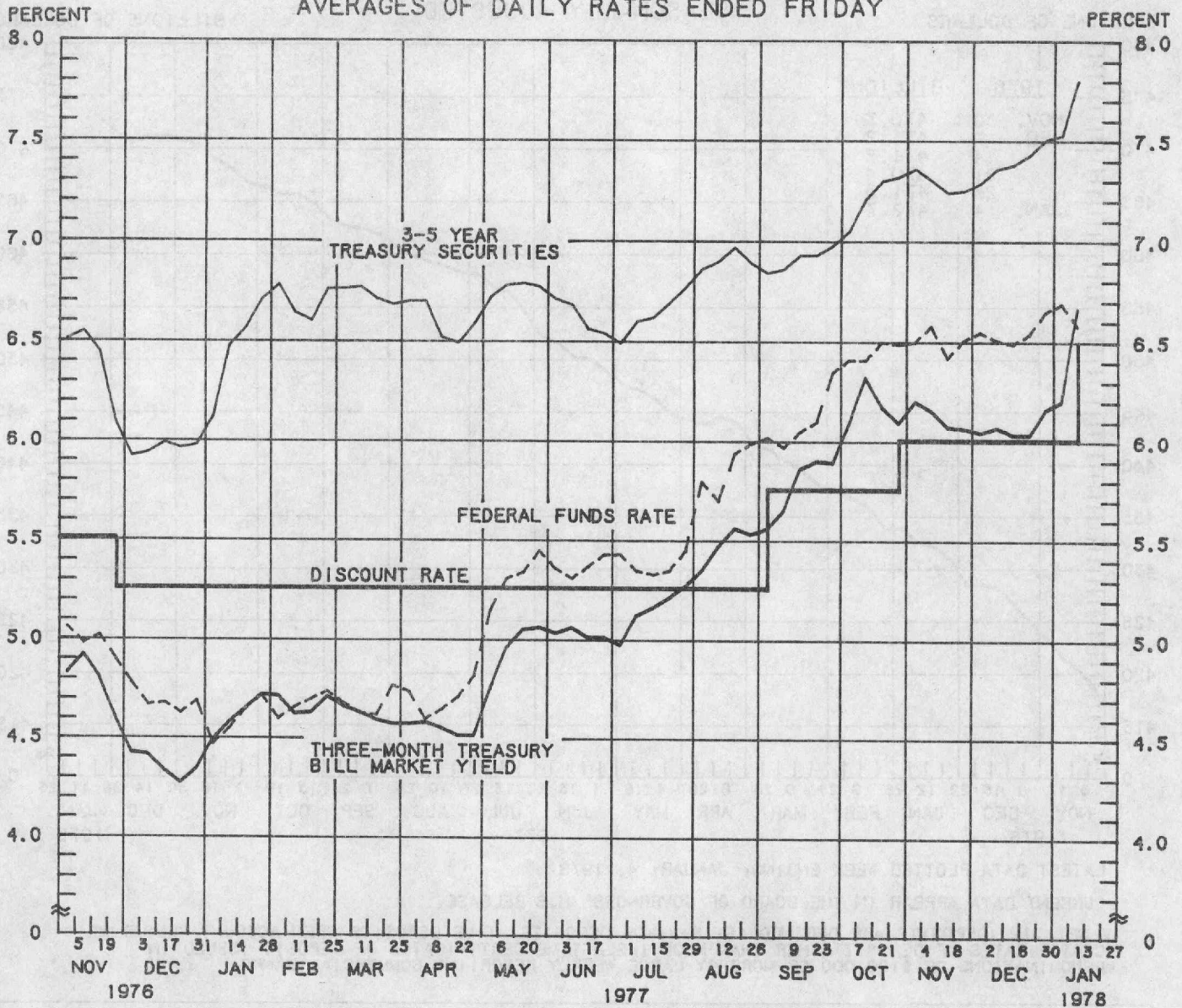
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: JANUARY 13, 1978

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	7.71
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	7.72
16	6.49	6.03	6.50	7.38	7.75
23	6.54	6.03	6.53	7.43	7.81
30	6.65	6.16	6.57	7.51	7.88
JAN. 6	6.69	6.20	6.57	7.53	7.91
13 *	6.58	6.66	6.95	7.80	8.04
20					
27					

* AVERAGES OF RATES AVAILABLE.

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

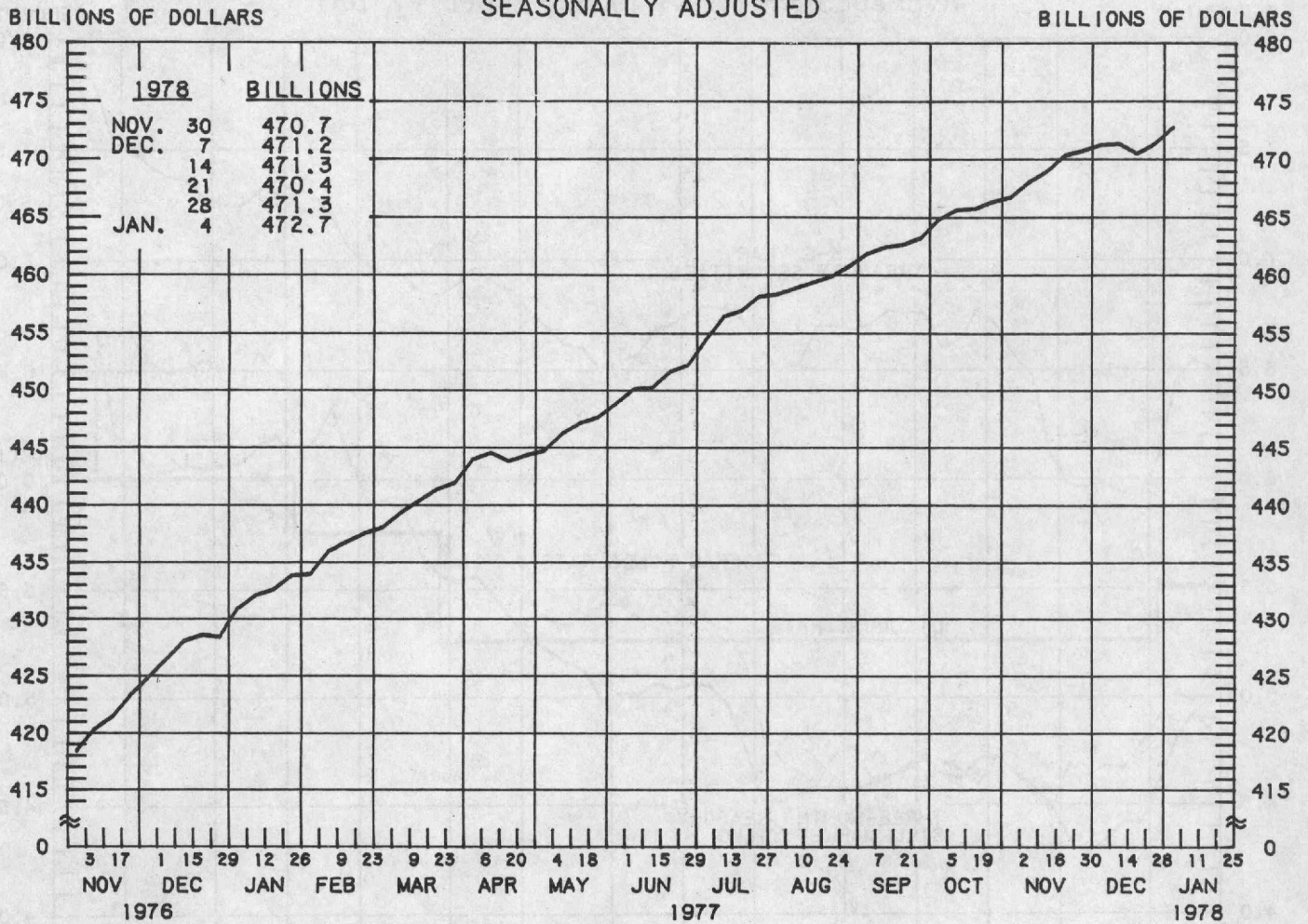
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: JANUARY 4, 1978

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:

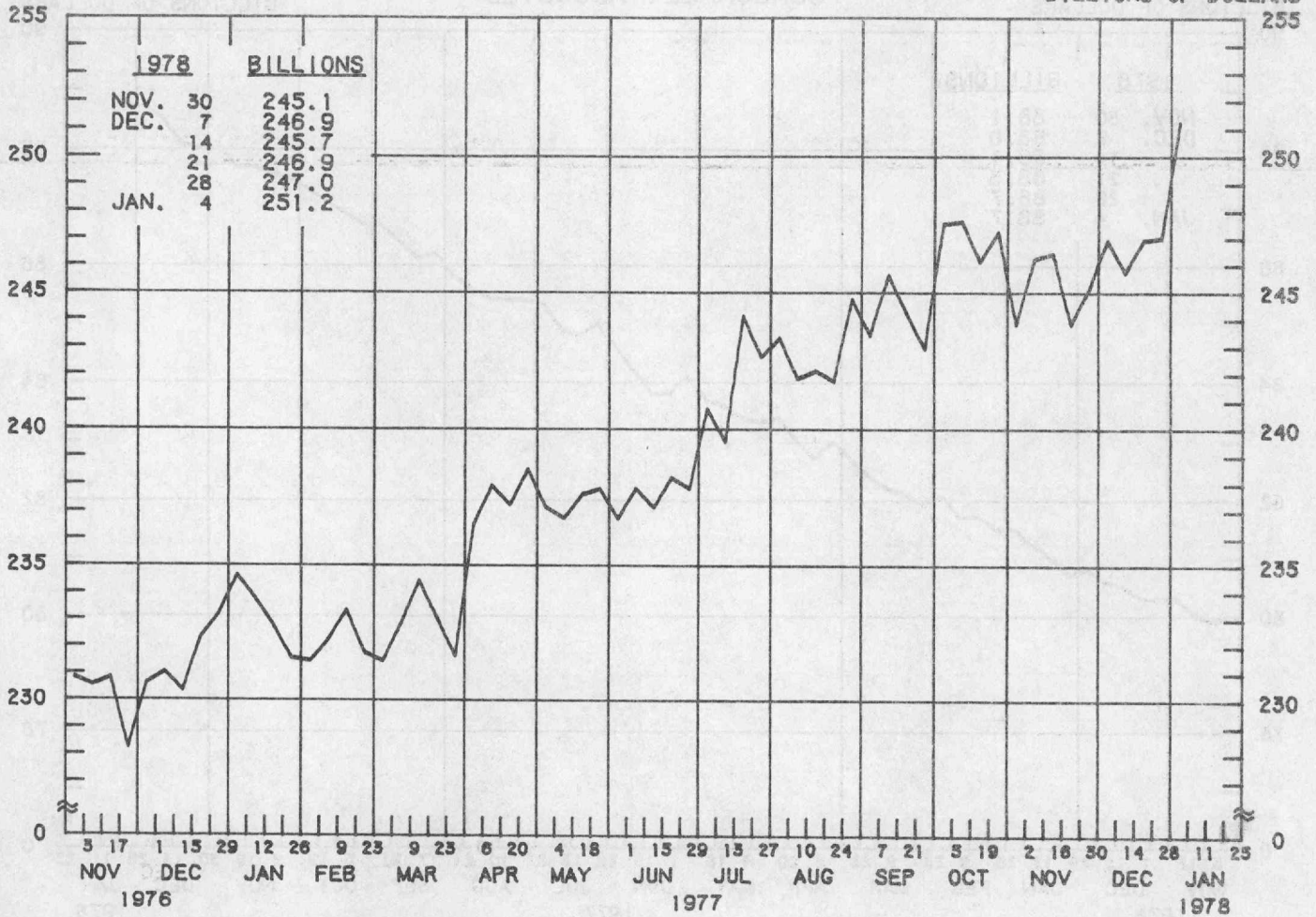
	1/5/77	4/6/77	6/1/77	7/6/77	8/3/77	9/7/77	10/5/77	11/2/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/ 1/77	11.0							
7/ 6/77	11.1	9.6						
8/ 3/77	11.8	11.1	13.6					
9/ 7/77	11.1	10.2	11.2	11.1				
10/ 5/77	10.8	9.9	10.6	10.3	7.7			
11/ 2/77	10.6	9.7	10.2	9.8	7.8	8.3		
12/ 7/77	10.5	9.7	10.1	9.8	8.4	8.9	9.1	
1/ 4/78	9.9	9.0	9.2	8.7	7.4	7.5	7.2	6.8

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 4, 1978

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:

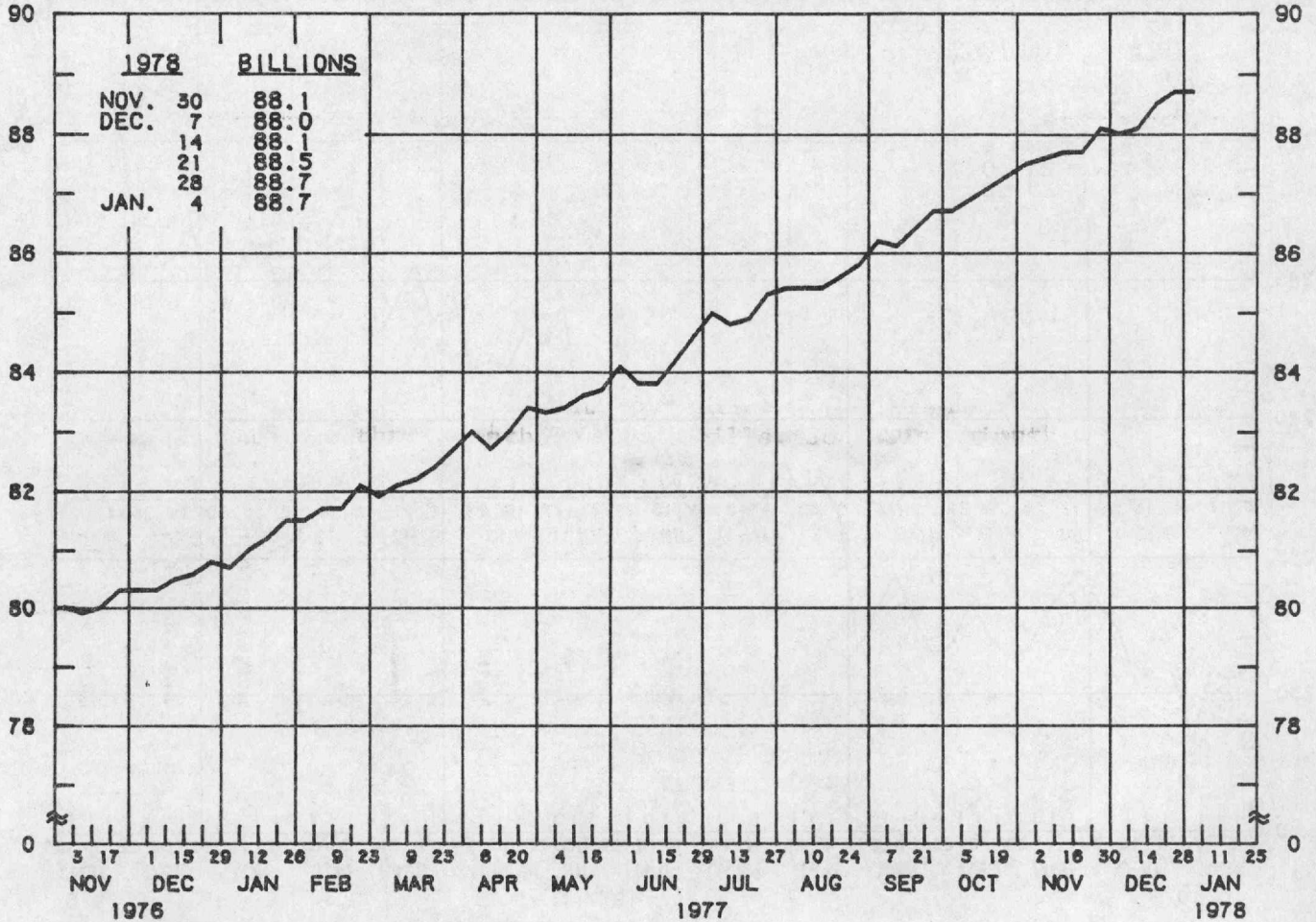
	1/5/77	4/6/77	6/1/77	7/8/77	8/3/77	9/1/77	10/5/77	11/2/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/ 1/77	5.0							
7/ 6/77	5.1	8.1						
8/ 3/77	7.4	11.5	13.3					
9/ 7/77	6.7	9.4	9.4	11.4				
10/ 5/77	7.2	9.8	9.9	11.5	6.6			
11/ 2/77	7.1	9.3	9.2	10.2	6.4	8.9		
12/ 7/77	6.1	7.5	6.9	7.2	3.9	4.3	1.2	
1/ 4/78	6.5	7.9	7.5	7.9	5.2	6.0	4.3	3.6

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 4, 1978

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

CURRENCY

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

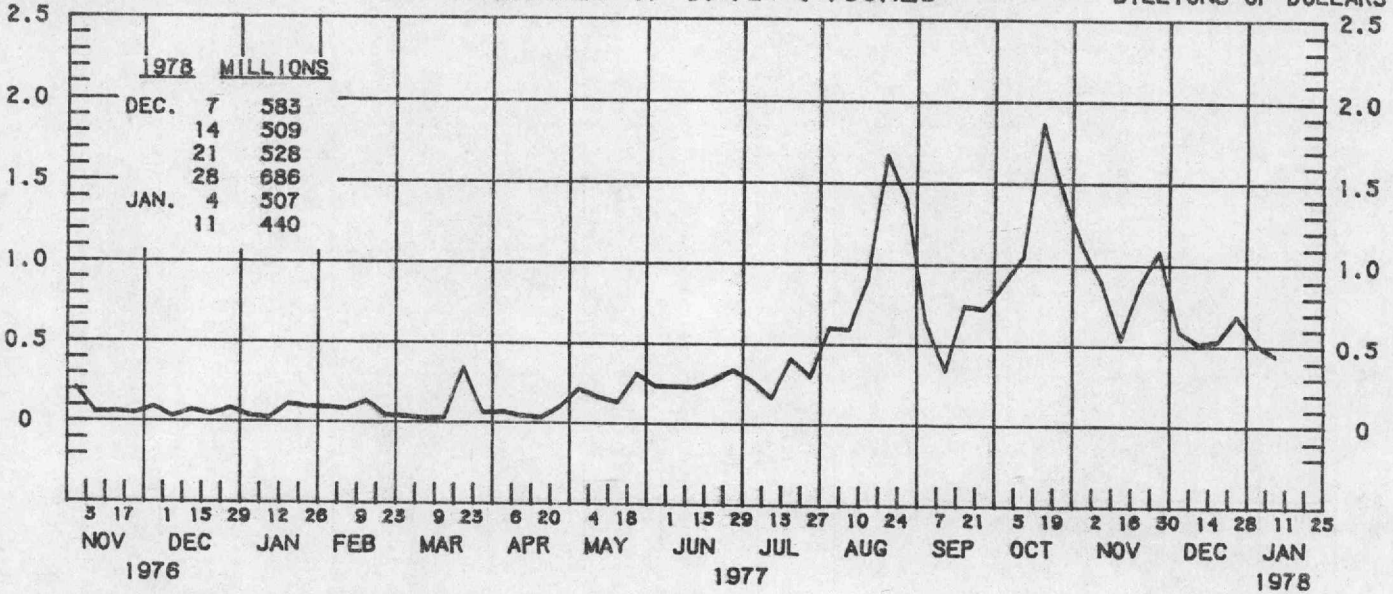
1/5/77 4/6/77 6/1/77 7/6/77 8/3/77 9/7/77 10/5/77 11/2/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

6/ 1/77	9.5								
7/ 6/77	9.4	9.0							
8/ 3/77	9.6	9.5	10.1						
9/ 7/77	9.5	9.4	9.6	10.0					
10/ 5/77	9.7	9.7	10.0	10.3	9.9				
11/ 2/77	9.8	9.8	10.2	10.5	10.2	11.1			
12/ 7/77	9.7	9.7	9.9	10.1	9.8	10.2	9.7		
1/ 4/78	9.7	9.6	9.8	10.0	9.7	9.9	9.6	8.9	

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

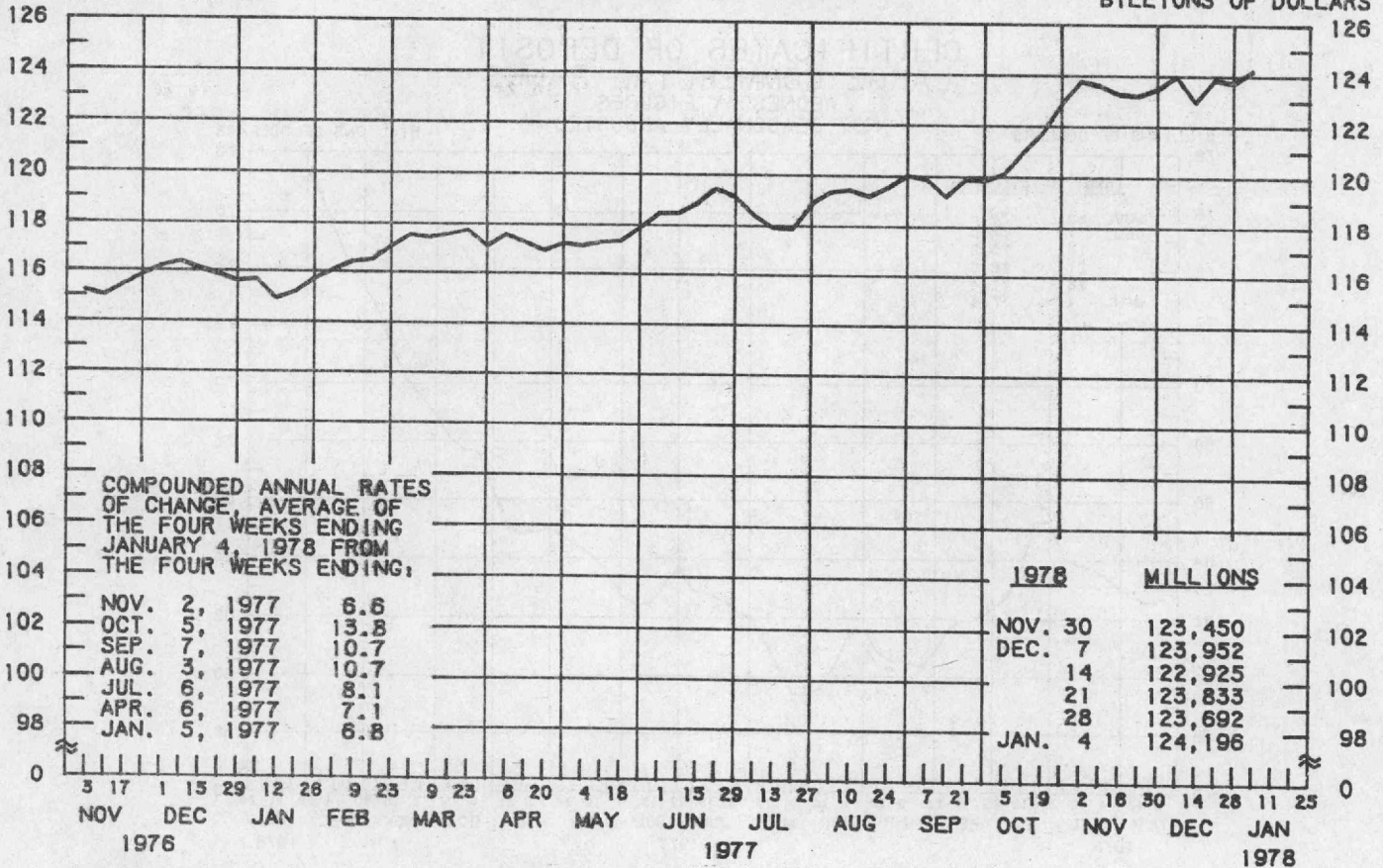
BILLIONS OF DOLLARS AVERAGES OF DAILY FIGURES BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 11, 1978

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

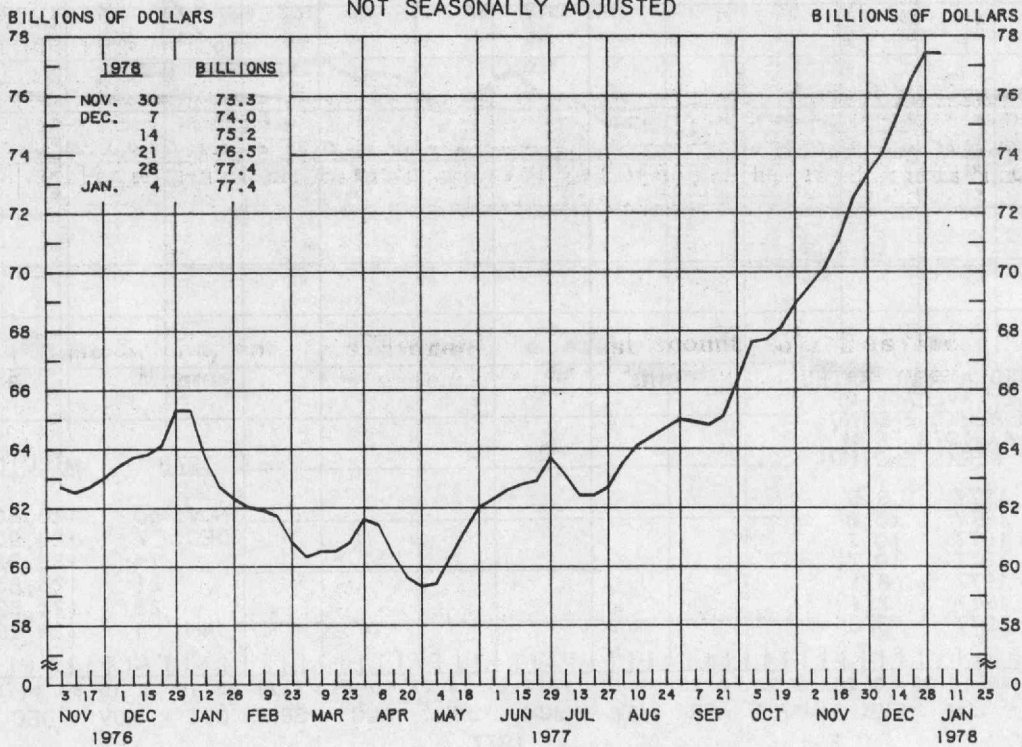
BILLIONS OF DOLLARS BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 4, 1978

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: JANUARY 4, 1978

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