



FINANCIAL DATA

Week ending: May 17, 1978

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Interest rates on three-month Treasury bills rose above ceiling rates on savings deposits at banks and nonbank thrift institutions in July of last year, and yields on U.S. Treasury securities with longer maturities rose above ceiling rates on longer-term time deposits at banks and thrifts late last year. The rise of market rates relative to ceiling rates has contributed to a slowing of the growth of deposits at banks and thrifts in recent months, as indicated in the table below.

Annual Rates of Growth of Net Time Deposits
at Commercial Banks and Deposits at
Nonbank Thrift Institutions
(Seasonally Adjusted)

Month	Banks	Thrifts	Month	Banks	Thrifts
1977 May	8.7%	12.5%	1977 Nov.	9.7%	11.8%
June	11.0	13.1	Dec.	4.7	10.8
July	16.0	15.8	1978 Jan.	8.7	8.8
Aug.	8.8	19.0	Feb.	8.7	7.2
Sept.	9.3	18.4	Mar.	6.7	8.9
Oct.	9.2	15.6	Apr.	5.9	7.3

To allow depository institutions subject to interest rate ceilings greater flexibility in attracting funds, two new deposit categories have been authorized for commercial banks and nonbank thrifts, effective June 1, 1978. One category is a time deposit of \$10,000 or more with maturity of six months. The ceiling rate on these deposits at commercial banks will be the discount yield on most recently issued six-month Treasury bills. This ceiling rate will change each week if the rate on six-month Treasury bills changes. The ceiling rate on this category of deposits at thrifts will be one-quarter of a percentage point higher.

This new category of deposit has many of the characteristics of six-month Treasury bills, but there are some significant differences for investors. These deposits are nonnegotiable, making them less liquid than Treasury bills. The penalty for early withdrawal is the same as that for other time deposits. Issuing institutions may offset these aspects of illiquidity by lending to depositors using those deposits as collateral, so long as the loan carries an interest rate at least one percentage point higher than the rate being paid on the deposit pledged.

The other new category of time deposit has a minimum maturity of eight years, minimum amount of \$1,000, ceiling rate of 7.75 percent at commercial banks, and 8 percent at thrifts. These time deposits are subject to the same penalties for early withdrawal as are the six-month deposits, and are also subject to the same minimum interest rate on loans to depositors using these deposits as collateral. As a result of this higher ceiling, the maximum permissible rate that may be paid by all depository institutions on new deposits of government units and Individual Retirement (IRA) and Keogh Accounts will also move to 8 percent.

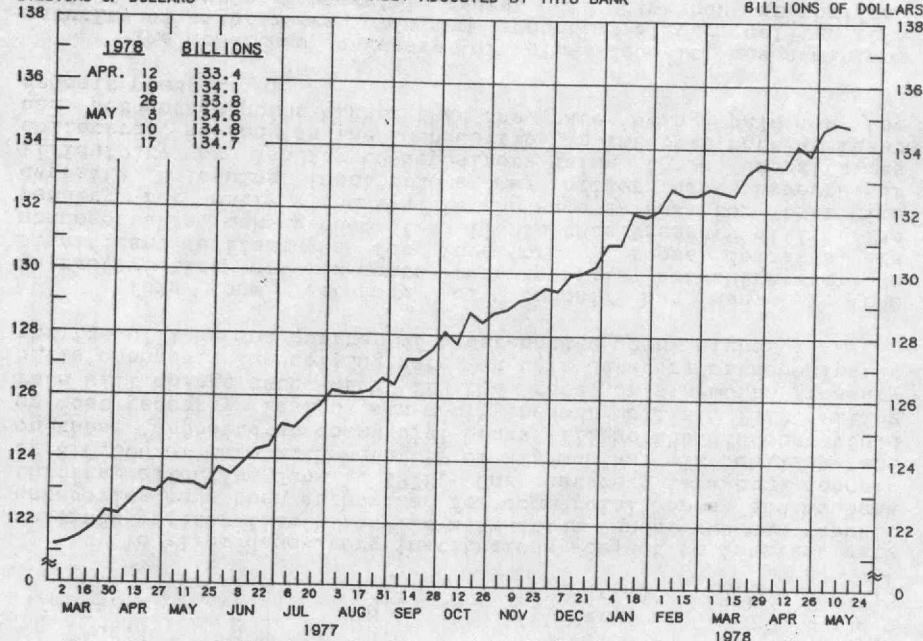
Prepared by Federal Reserve Bank of St. Louis

Released: May 19, 1978

MONETARY BASE
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 17, 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

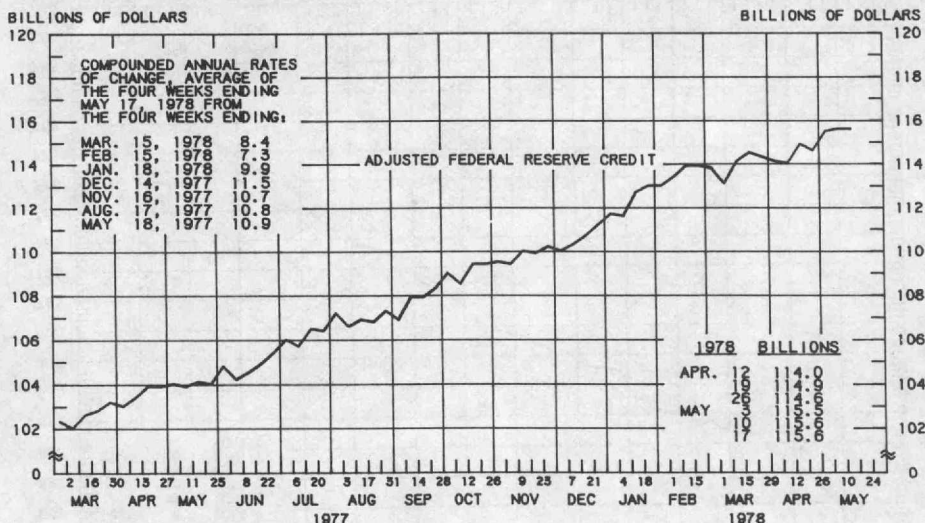
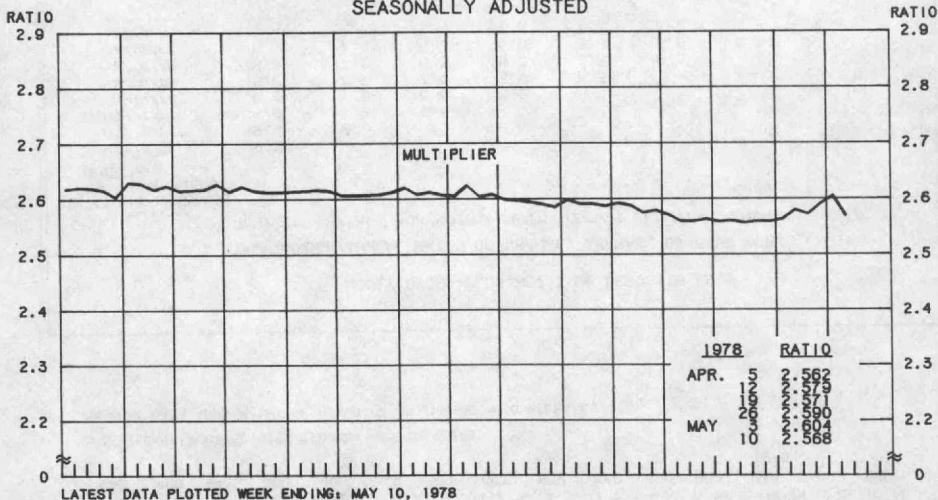
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE OF FOUR WEEKS ENDING:

	5/18/77	8/17/77	10/19/77	11/16/77	12/14/77	1/18/78	2/15/78	3/15/78
10/19/77	9.5							
11/16/77	9.3	9.2						
12/14/77	9.0	8.7	7.9					
1/18/78	9.5	9.6	9.7	10.3				
2/15/78	10.0	10.2	10.6	11.3	13.2			
3/15/78	9.3	9.3	9.1	9.3	9.9	8.2		
4/19/78	9.2	9.1	8.9	9.0	9.4	8.2	5.8	
5/17/78	9.2	9.1	9.0	9.0	9.4	8.4	6.8	8.6

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

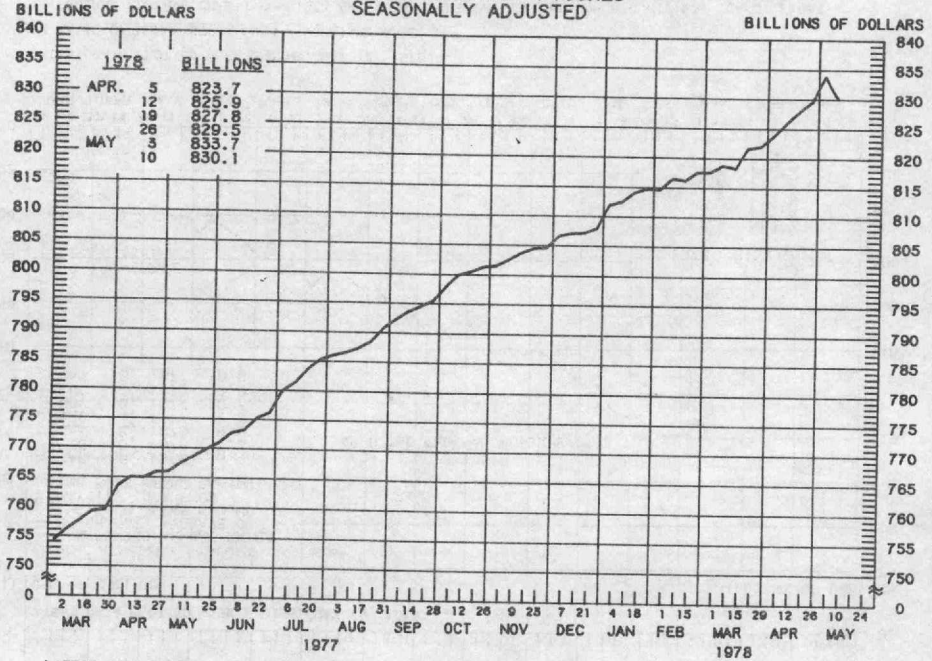


1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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.

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MONEY STOCK PLUS NET TIME DEPOSITS (M2)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED

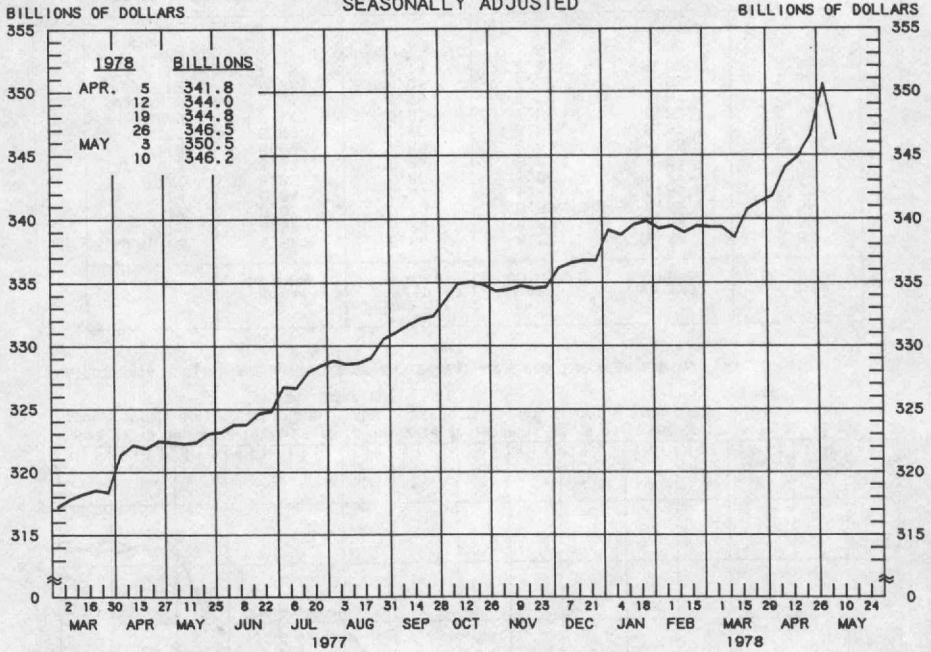


LATEST DATA PLOTTED WEEK ENDING: MAY 10, 1978
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

TO THE AVERAGE OF FOUR WEEKS ENDING:	5/11/77	8/10/77	10/12/77	11/9/77	12/7/77	1/11/78	2/8/78	3/8/78
10/12/77	9.8							
11/ 9/77	9.4	8.5						
12/ 7/77	8.9	7.8	6.6					
1/11/78	8.6	7.5	6.6	6.2				
2/ 8/78	8.6	7.7	7.1	6.9	7.5			
3/ 8/78	8.2	7.2	6.5	6.3	6.5	6.3		
4/12/78	8.1	7.3	6.7	6.6	6.8	6.8	6.1	
5/10/78	8.4	7.7	7.4	7.3	7.7	7.9	7.8	9.4

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MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 10, 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)

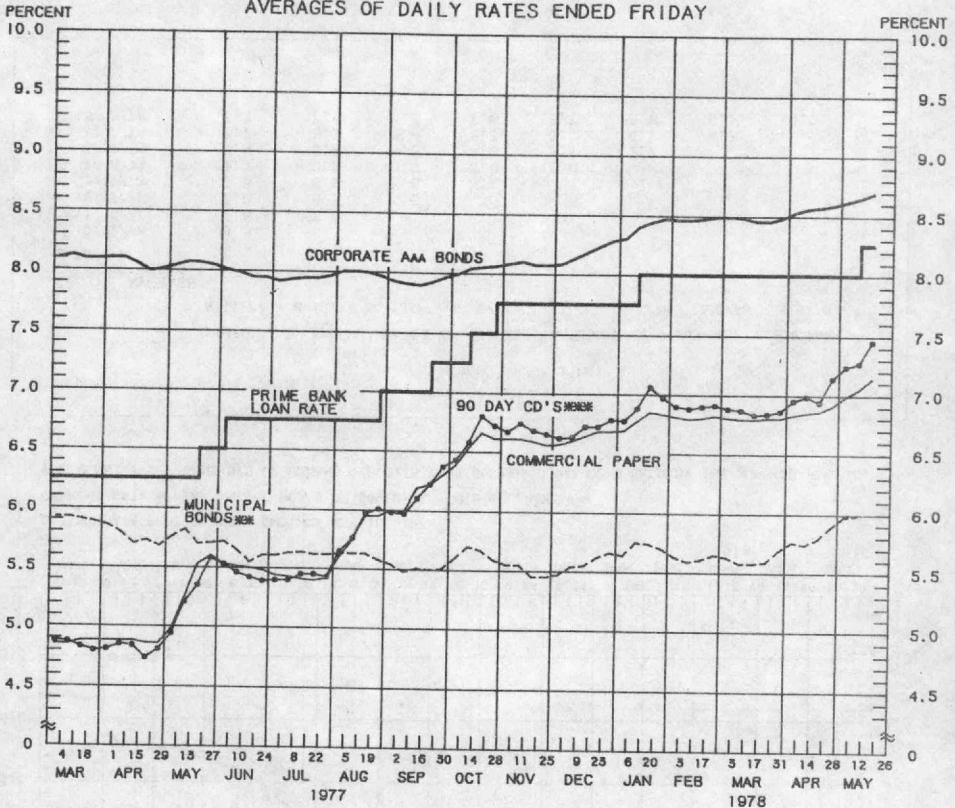
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE OF FOUR WEEKS ENDING:	5/11/77	8/10/77	10/12/77	11/9/77	12/7/77	1/11/78	2/8/78	3/8/78
10/12/77	8.3							
11/9/77	7.8	7.8						
12/7/77	7.0	6.3	3.6					
1/11/78	7.3	6.9	5.6	5.7				
2/8/78	7.2	6.9	5.9	6.0	8.0			
3/8/78	6.4	5.8	4.5	4.3	5.1	2.7		
4/12/78	6.7	6.2	5.4	5.3	6.2	5.1	4.3	
5/10/78	7.7	7.6	7.3	7.5	8.7	8.6	9.1	14.0

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MAY 19, 1978

1978	90 DAY CD'S <small>MARK</small>	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS <small>MARK</small>
MAR. 3	6.88	6.80	6.80	8.49	5.63
10	6.87	6.79	6.80	8.48	5.53
17	6.83	6.79	6.80	8.45	5.58
24	6.84	6.80	6.76	8.45	5.58
31	6.86	6.80	6.80	8.48	5.69
APR. 7	6.95	6.83	6.85	8.53	5.76
14	6.99	6.85	6.84	8.56	5.74
21	6.94	6.86	6.92	8.57	5.79
28	7.14	6.91	7.06	8.59	5.89
MAY 5	7.24	6.99	7.18	8.62	5.98
12	7.27	7.05	7.27	8.65	5.99
19 *	7.45	7.14	7.31	8.69	N.A.
26					

* AVERAGES OF RATES AVAILABLE.

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

MARK SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS

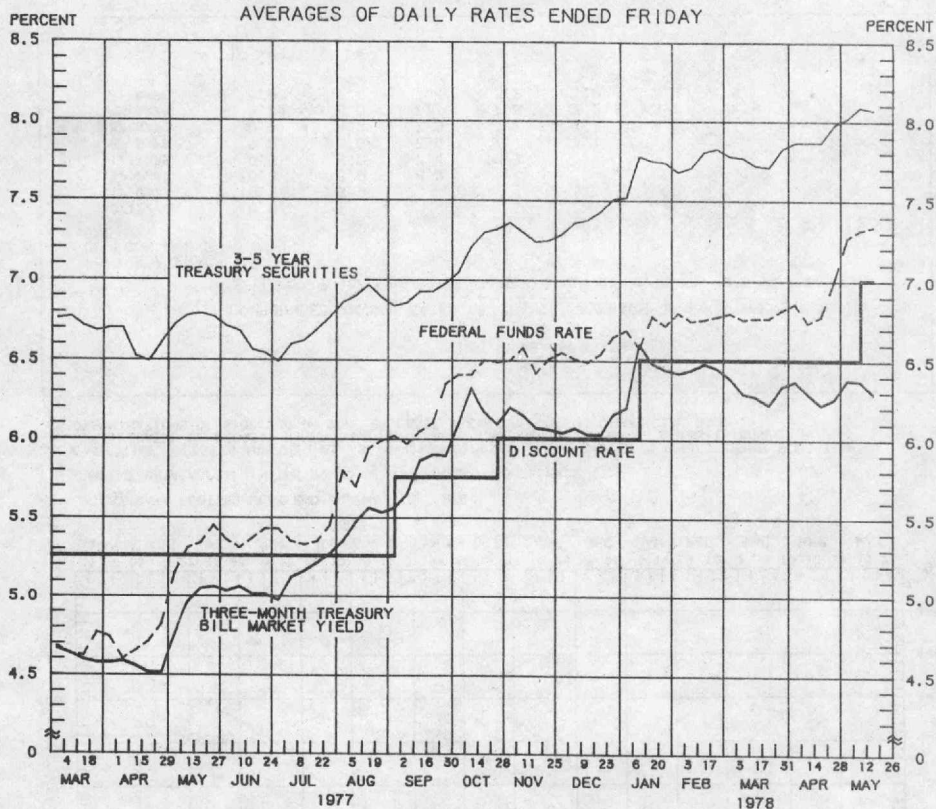
EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: MAY 19, 1978

1978	FEDERAL FUNDS <small>***</small>	3-MONTH TREASURY BILL	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
MAR. 3	6.80	6.39	6.84	7.78	8.11
10	6.76	6.29	6.81	7.77	8.09
17	6.77	6.27	6.80	7.72	8.06
24	6.77	6.22	6.77	7.71	8.06
31	6.82	6.34	6.89	7.83	8.16
APR. 7	6.86	6.37	6.94	7.87	8.21
14	6.74	6.29	6.91	7.87	8.23
21	6.78	6.22	6.93	7.87	8.20
28	7.00	6.26	7.06	7.98	8.27
MAY 5	7.27	6.38	7.16	8.02	8.31
12	7.32	6.37	7.25	8.09	8.38
19 <small>*</small>	7.34	6.29	7.29	8.07	8.35
26					

* AVERAGES OF RATES AVAILABLE.

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

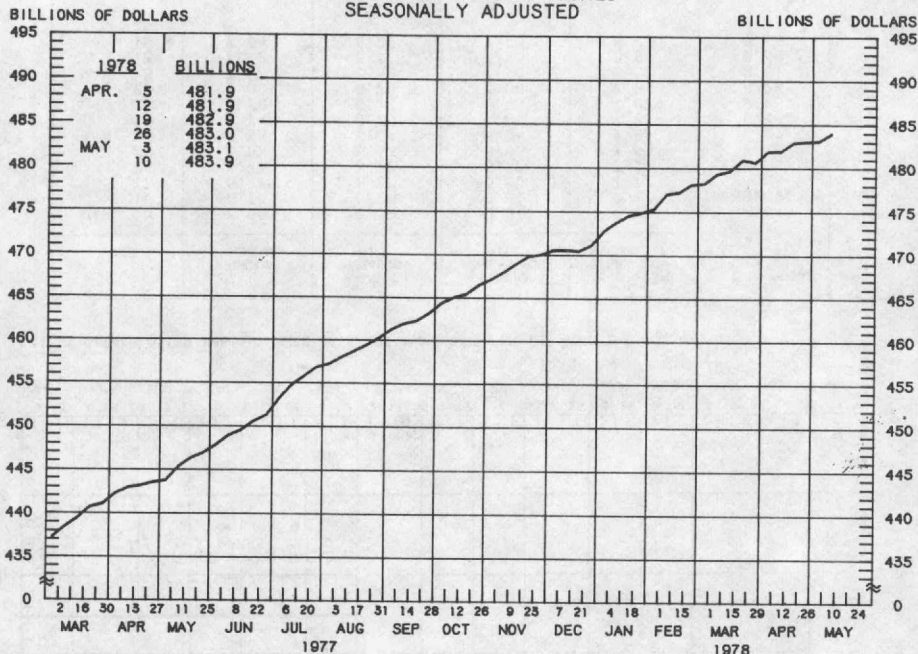
*** CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: MAY 10, 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

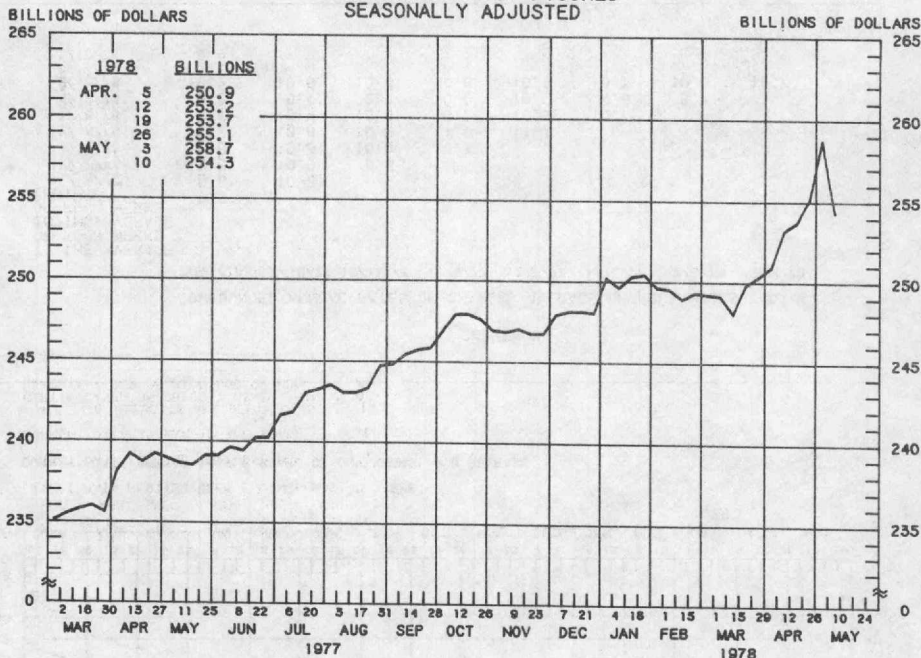
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	5/11/77	8/10/77	10/12/77	11/9/77	12/7/77	1/11/78	2/8/78	3/8/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/12/77	10.9							
11/ 9/77	10.5	8.9						
12/ 7/77	10.3	8.9	8.9					
1/11/78	9.5	8.0	7.4	6.7				
2/ 8/78	9.6	8.3	7.9	7.7	7.1			
3/ 8/78	9.4	8.2	7.9	7.7	7.3	8.9		
4/12/78	9.2	8.0	7.7	7.6	7.2	8.1	7.4	
5/10/78	8.9	7.7	7.4	7.2	6.9	7.4	6.7	6.2

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DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 10, 1978

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

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

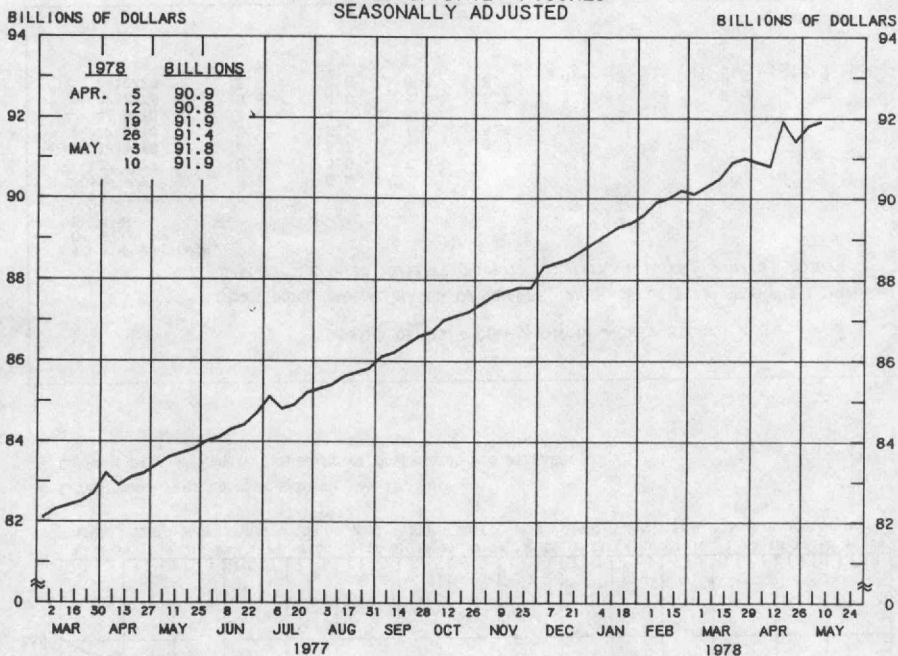
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	5/11/77	8/10/77	10/12/77	11/9/77	12/7/77	1/11/78	2/8/78	3/8/78
10/12/77	7.8							
11/9/77	7.2	6.9						
12/7/77	6.0	5.0	1.3					
1/11/78	6.3	5.7	4.0	4.0				
2/8/78	6.2	5.7	4.3	4.4	7.0			
3/8/78	5.2	4.2	2.5	2.2	3.3	0.3		
4/12/78	5.5	4.9	3.7	3.7	4.7	3.4	2.6	
5/10/78	6.9	6.8	6.3	6.7	8.2	8.2	9.1	15.8

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**CURRENCY COMPONENT
OF MONEY STOCK**
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 10, 1978

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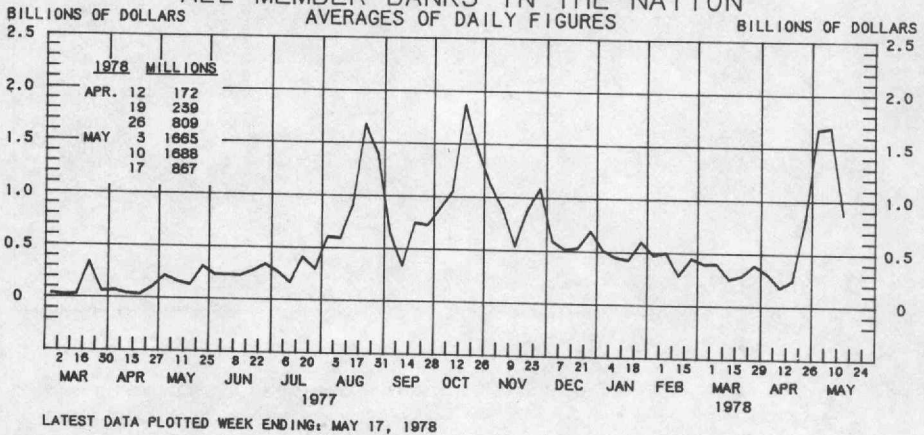
CURRENCY

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

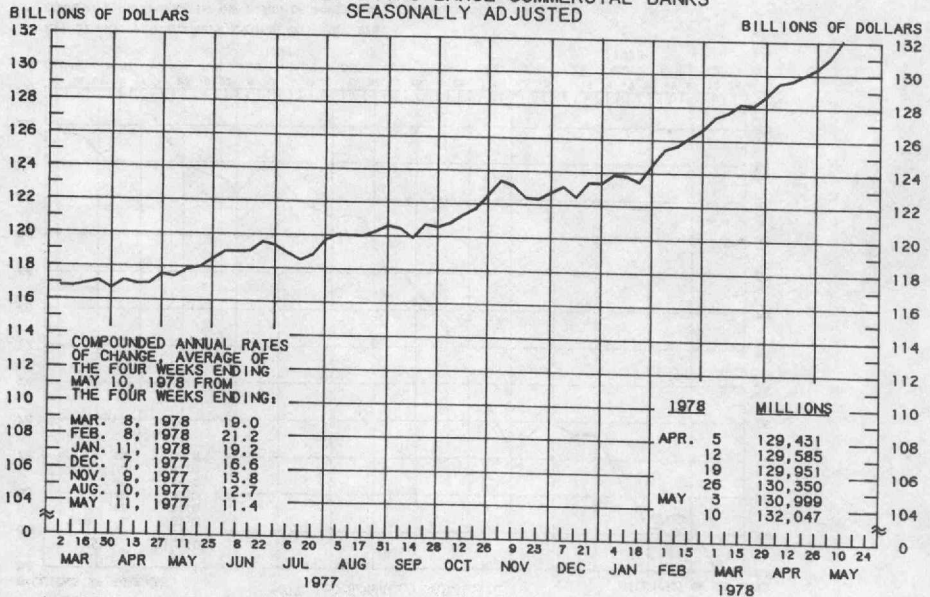
	5/11/77	8/10/77	10/12/77	11/9/77	12/7/77	1/11/78	2/8/78	3/8/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/12/77	9.9							
11/ 9/77	9.8	10.2						
12/ 7/77	9.8	10.0	9.3					
1/11/78	10.0	10.3	10.0	10.3				
2/ 8/78	10.2	10.6	10.6	11.0	11.7			
3/ 8/78	10.1	10.4	10.3	10.5	10.9	10.7		
4/12/78	9.9	10.1	9.9	10.0	10.2	9.8	8.7	
5/10/78	10.2	10.5	10.4	10.6	10.8	10.7	10.2	10.7

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BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



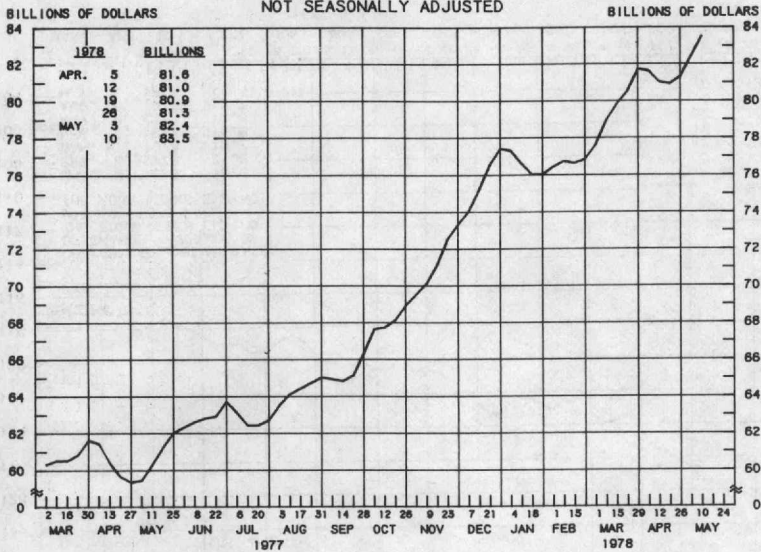
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

**CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS**

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 10, 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