



## FINANCIAL DATA

Week ending: August 30, 1978

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The money stock (M1), which was essentially unchanged for the first two and one-half months of this year, has grown at a 9.7 percent annual rate from the four weeks ending March 15 to the four weeks ending August 23. As a consequence of this rapid increase in the money stock since mid-March, the rate of money growth for the period since early January has been approximately the same as that for last year. From the four weeks ending January 4 of this year to the four weeks ending August 23, the money stock rose at a 7.8 percent annual rate, compared to a 7.9 percent increase in the year ending in early January.

Despite the sharp rise in yields on Treasury bills since late May, growth of net time deposits at commercial banks has been rapid in recent months. From the four weeks ending May 31 of this year to the four weeks ending August 23, net time deposits rose at an 11 percent rate, compared to an 8.2 percent rate of increase in the previous five months. A major reason for the faster growth in net time deposits was permission for commercial banks to issue time deposits of \$10,000 or more at ceiling interest rates equal to the discount yield on six-month Treasury bills. Commercial banks are estimated to have had \$5.5 million in outstanding time deposits in that category by the end of July, which was 1.1 percent of net time deposits for the week ending July 26 of this year.

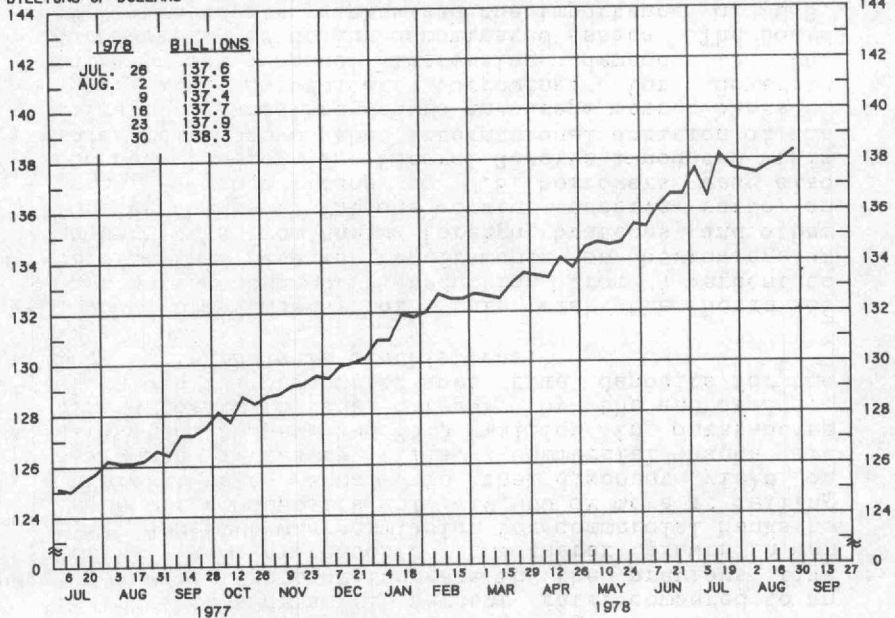
On Monday of this week the Board of Governors announced a reduction from 4 percent to zero in the reserve requirements on borrowings of member banks from their foreign branches and other foreign banks. The one percent reserve ratio on foreign branch loans to U.S. borrowers was also reduced to zero. The Federal Reserve announced this move to improve the international position of the dollar. It was intended to encourage member banks to substitute Eurodollar borrowings for domestic borrowings, hence increasing demand in the Euromarkets for dollar denominated assets. The Board of Governors also emphasized the importance of U.S. banks complying with its previous requests not to solicit deposits by U.S. residents at their foreign branches unless such deposits serve a definite international purpose.

Prepared by Federal Reserve Bank of St. Louis  
Released: September 1, 1978

# **MONETARY BASE** **AVERAGES OF DAILY FIGURES** **SEASONALLY ADJUSTED BY THIS BANK**

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 30, 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:

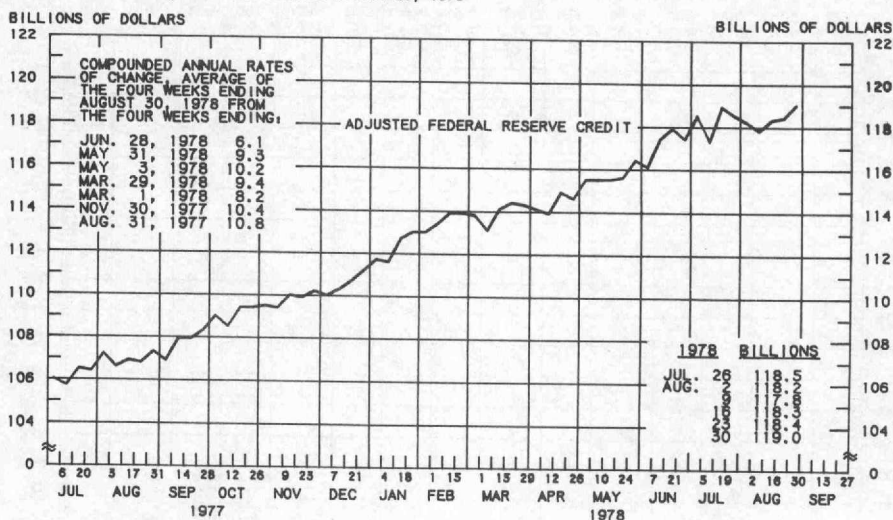
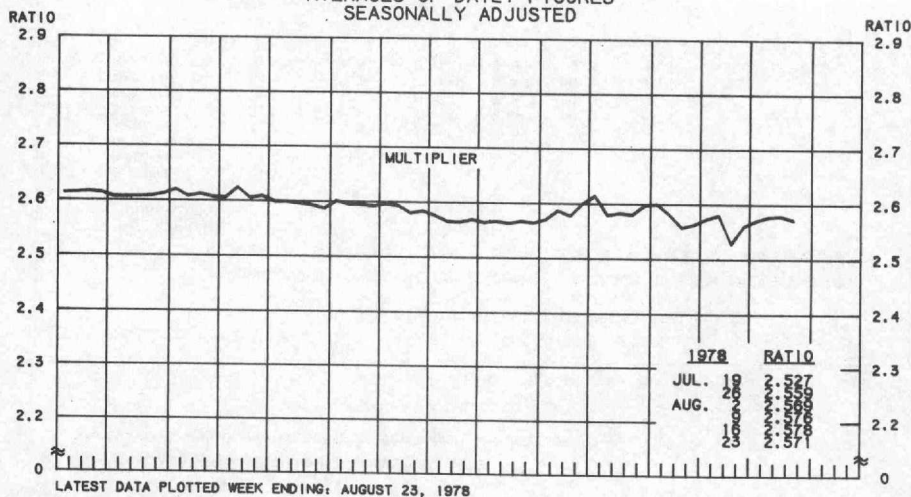
8/31/77 11/30/77 2/1/78 3/1/78 3/29/78 5/3/78 5/31/78 6/28/78

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

2/ 1/78	10.4						
3/ 1/78	10.2	10.9					
3/29/78	9.2	9.0	6.1				
5/ 3/78	9.1	8.8	6.9	5.8			
5/31/78	9.2	9.0	7.6	7.1	9.0		
6/28/78	9.6	9.6	8.7	8.5	10.3	11.7	
8/ 2/78	9.6	9.7	9.0	9.0	10.3	11.2	11.7
8/30/78	9.1	9.0	8.2	8.0	8.9	9.2	8.9
							7.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# MULTIPLIER <sup>1/</sup> ADJUSTED FEDERAL RESERVE CREDIT <sup>2/</sup> AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 30, 1978

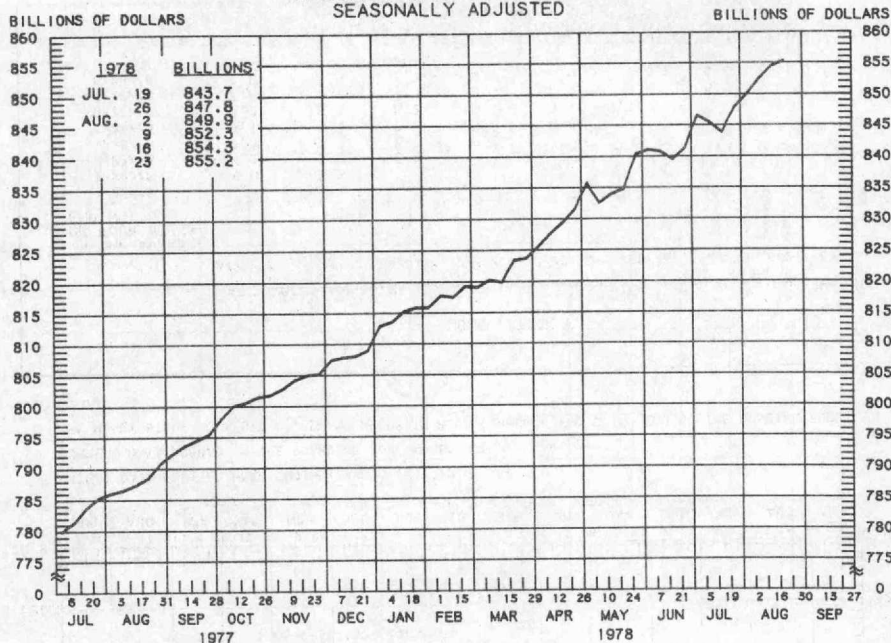
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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: AUGUST 23, 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:

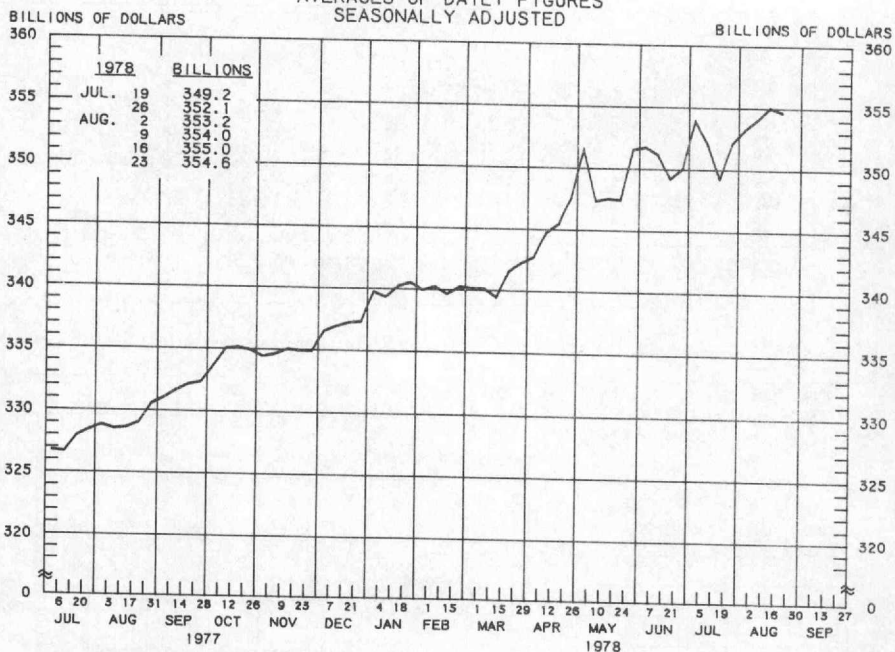
8/24/77 11/23/77 1/25/78 2/22/78 3/22/78 4/26/78 5/24/78 6/21/78

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

1/25/78	8.4							
2/22/78	7.9	7.2						
3/22/78	7.5	6.7	5.1					
4/26/78	7.9	7.5	7.2	8.0				
5/24/78	8.1	7.8	7.7	8.4	10.0			
6/21/78	8.2	8.1	8.1	8.8	10.0			
7/26/78	8.1	7.9	7.9	8.4	9.1	8.6	8.3	
8/23/78	8.4	8.3	8.4	8.8	9.6	9.3	9.3	8.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# MONEY STOCK (M1) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 23, 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:

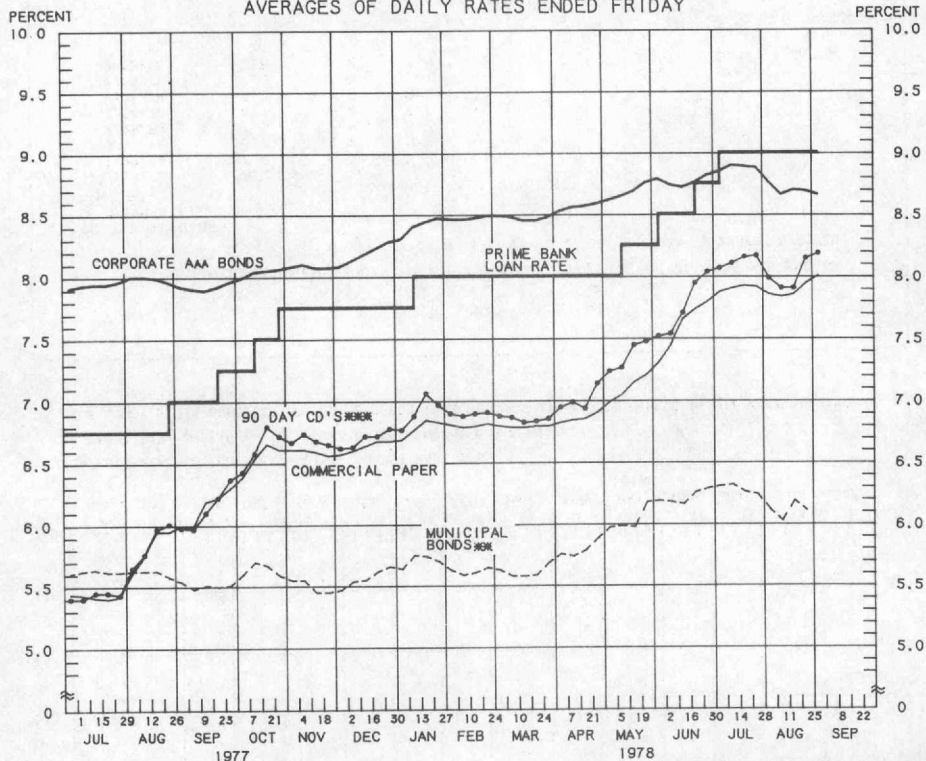
	8/24/77	11/23/77	1/25/78	2/22/78	3/22/78	4/26/78	5/24/78	6/21/78
1/25/78			8.2					
2/22/78			7.0	6.5				
3/22/78			6.2	5.2	0.8			
4/26/78			7.5	7.5	6.3			
5/24/78			8.1	8.4	7.8	9.0		
6/21/78			8.2	8.5	8.2	10.3	14.6	
7/26/78			7.6	7.7	7.1	8.4	10.1	11.4
8/23/78			7.8	7.8	7.4	8.5	9.9	8.0
								5.8
								6.8
								5.6

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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: SEPTEMBER 1, 1978

1978	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
JULY 7	8.07	7.88	8.01	8.85	6.31
14	8.11	7.91	8.06	8.90	6.32
21	8.16	7.93	8.05	8.89	6.26
28	8.17	7.92	7.97	8.88	6.24
AUG. 4	7.99	7.86	7.89	8.76	6.12
11	7.91	7.84	7.83	8.66	6.03
18	7.91	7.86	7.93	8.70	6.19
25	8.15	7.95	8.07	8.69	6.11
SEP. 1 *	8.19	8.01	8.15	8.66	N.A.
8					
15					
22					
29					

\* AVERAGES OF RATES AVAILABLE.

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

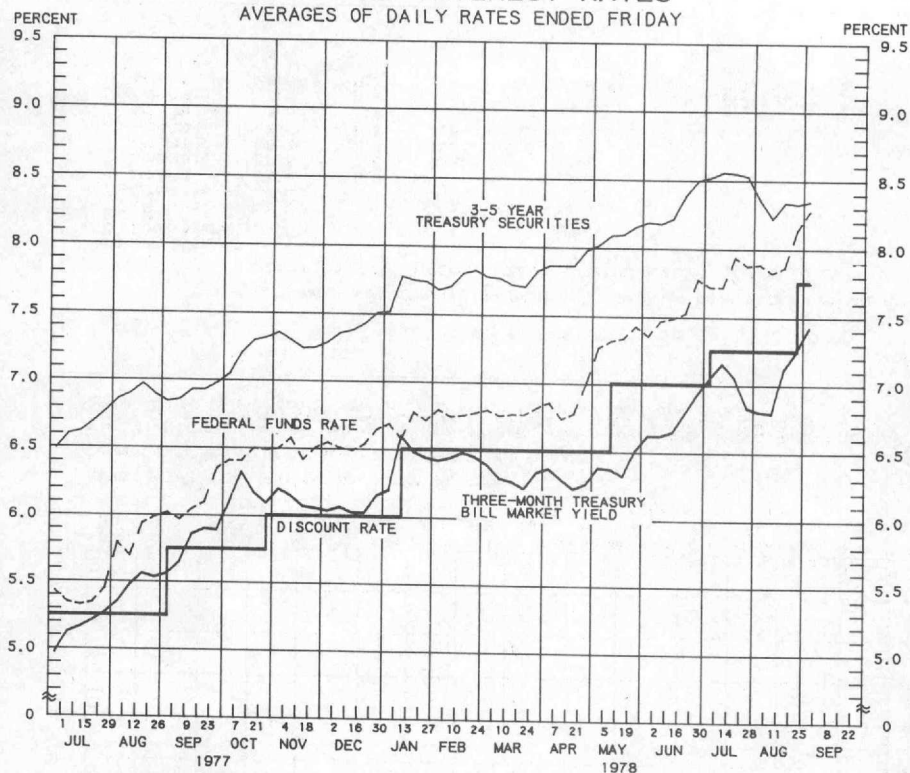
N.B. SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS

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: SEPTEMBER 1, 1978

1978	FEDERAL FUNDS RATE	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
JULY 7	7.72	7.05	7.45	7.75	8.52	8.60
14	7.72	7.16	7.52	7.82	8.56	8.64
21	7.94	7.05	7.50	7.82	8.55	8.62
28	7.88	6.83	7.43	7.78	8.53	8.58
AUG. 4	7.89	6.80	7.36	7.65	8.36	8.43
11	7.83	6.79	7.17	7.58	8.22	8.34
18	7.87	7.12	7.26	7.78	8.34	8.44
25	8.14	7.25	7.47	7.79	8.33	8.35
SEP. 1 *	8.28	7.42	7.55	7.85	8.35	8.34
8						
15						
22						
29						

\* 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.

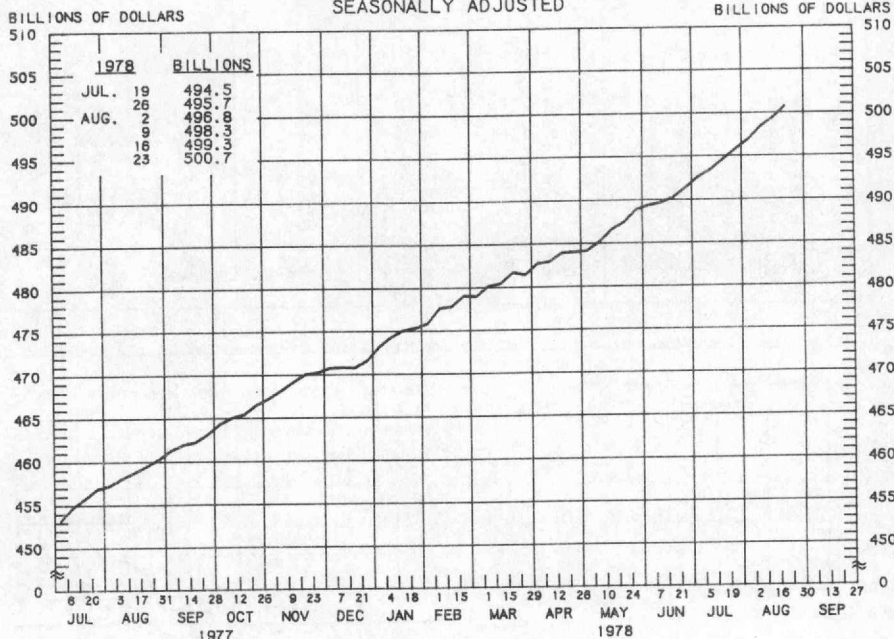
\*\*\*\* NEW ISSUE RATE

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: AUGUST 23, 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:

8/24/77 11/23/77 1/25/78 2/22/78 3/22/78 4/26/78 5/24/78 6/21/78

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

1/25/78	8.5						
2/22/78	8.6	7.9					
3/22/78	8.5	7.8	8.4				
4/26/78	8.2	7.6	7.8	7.2			
5/24/78	8.1	7.5	7.5	7.0	6.8		
6/21/78	8.3	7.9	8.1	7.8	7.9	8.5	
7/26/78	8.5	8.2	8.4	8.3	8.5	9.1	10.2
8/23/78	8.8	8.7	9.1	9.1	9.3	10.1	11.1
							11.5

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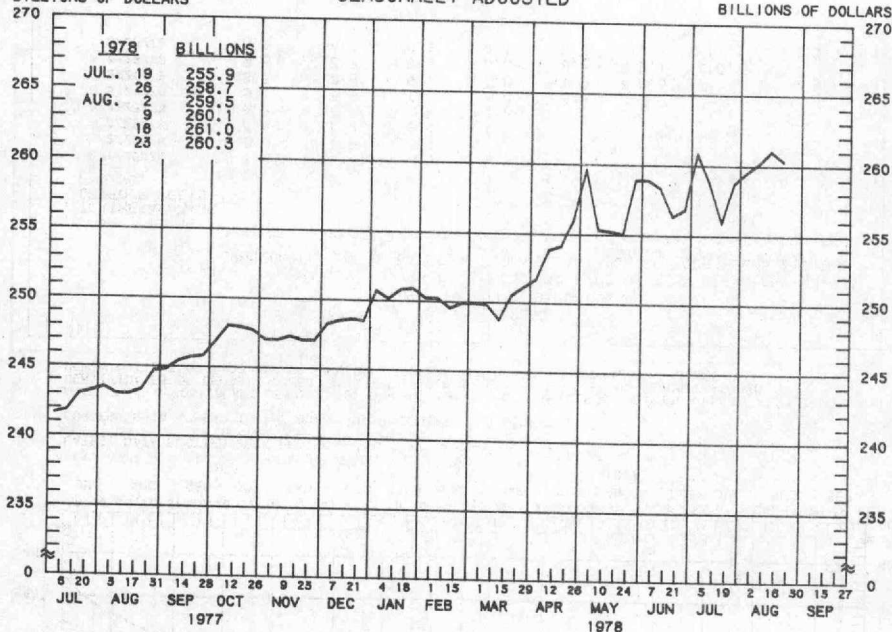


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 23, 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:

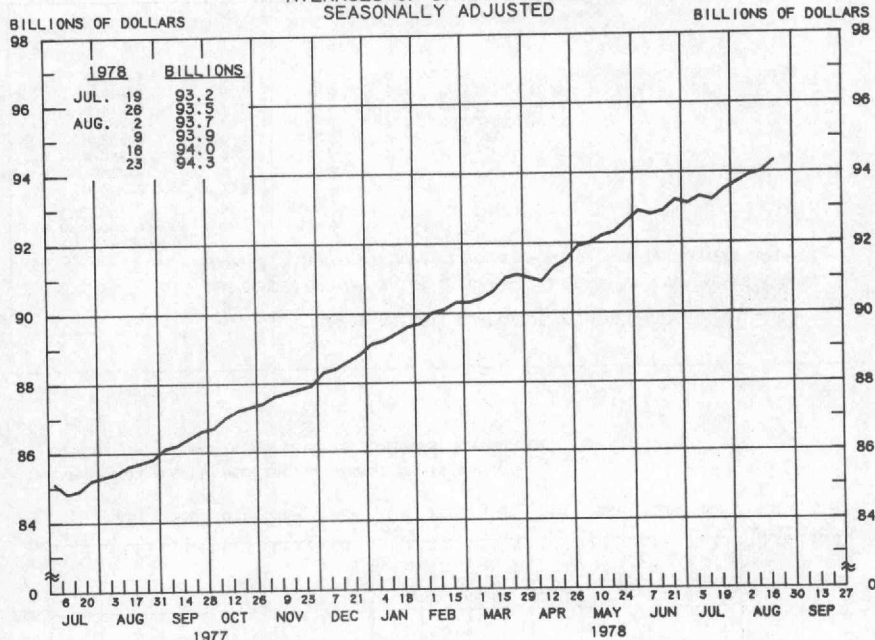
TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

	8/24/77	11/23/77	1/25/78	2/22/78	3/22/78	4/26/78	5/24/78	6/21/78
1/25/78	7.3							
2/22/78	5.7	4.8						
3/22/78	4.7	3.3	-2.3					
4/26/78	6.6	6.6	5.4	9.4				
5/24/78	7.2	7.6	7.1	10.5	16.3			
6/21/78	7.5	7.8	7.6	10.2	14.2	11.3		
7/26/78	6.8	6.9	6.4	8.2	10.5	7.4	5.1	
8/23/78	7.0	7.1	6.7	8.3	10.2	7.8	6.2	4.8

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 23, 1978

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

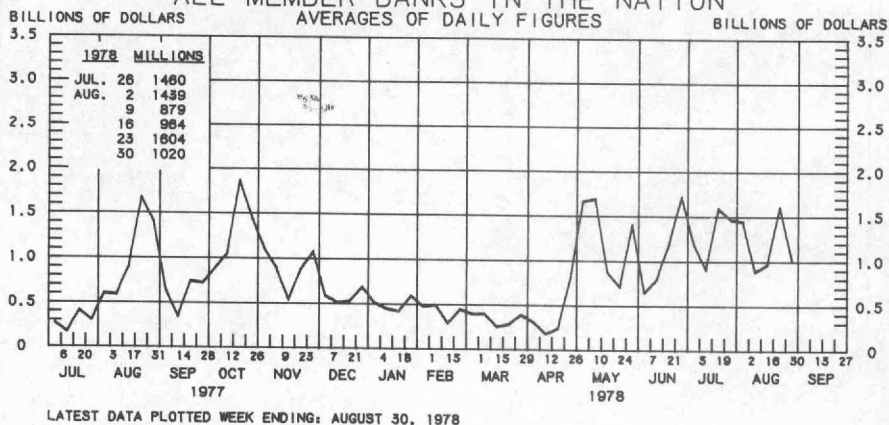
## CURRENCY

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

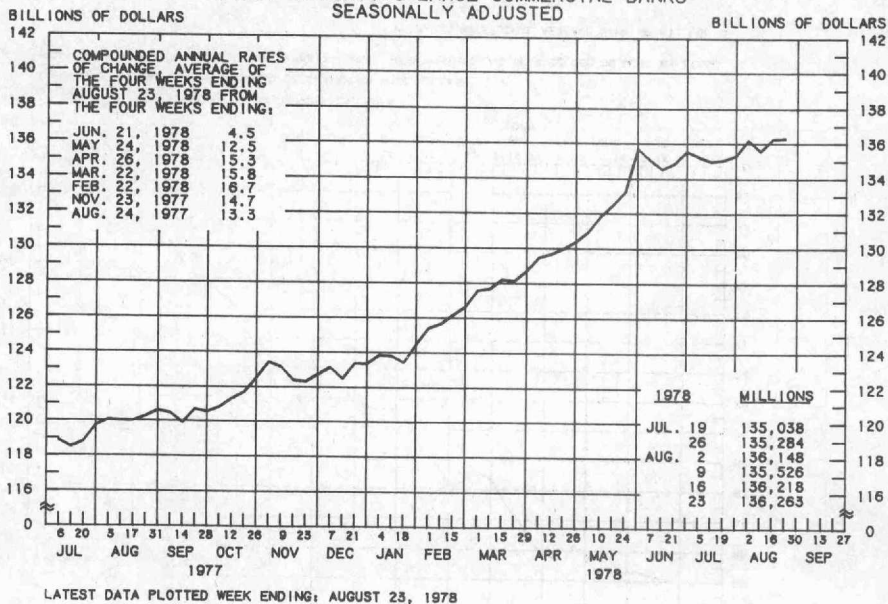
TO THE AVERAGE OF FOUR WEEKS ENDING:	8/24/77	11/23/77	1/25/78	2/22/78	3/22/78	4/26/78	5/24/78	6/21/78
1/25/78	10.8							
2/22/78	10.8	11.4						
3/22/78	10.6	10.8	9.8					
4/26/78	10.1	10.0	8.8	8.0				
5/24/78	10.4	10.5	9.9	9.7	10.0			
6/21/78	10.4	10.5	10.0	9.8	10.1	12.0		
7/26/78	9.9	9.8	9.2	8.9	8.9	9.5	7.8	
8/23/78	9.9	9.9	9.3	9.1	9.1	9.7	8.5	7.7

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## BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



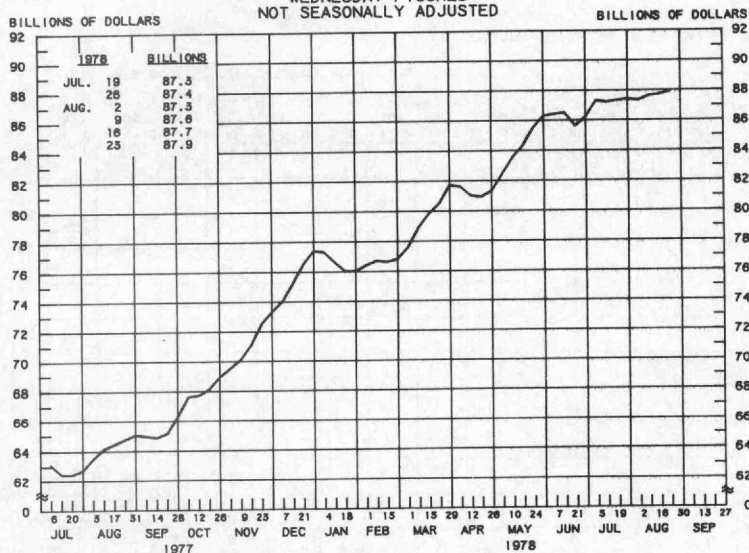
## BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CERTIFICATES OF DEPOSIT  
LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 23, 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