



U.S. FINANCIAL DATA

Week ending: October 25, 1978

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Since borrowing in the Federal funds market and borrowing from Federal Reserve Banks are alternative sources of reserves for member banks, changes in the spread between the Federal funds rate and the discount rate have been an important factor influencing member bank borrowings from Federal Reserve Banks whenever the Federal funds rate has exceeded the discount rate. Generally, the greater the spread, the higher the level of member bank borrowings.

The influence of this spread on weekly member bank borrowings can be demonstrated by examining the response of member bank borrowings to changes in the spread following discount rate increases. There have been eight discount rate increases since May 1977, during which time the Federal funds rate has been both above the discount rate and generally increasing. The table below shows the spread between the Federal funds rate (FFR) and the discount rate (DR) for the weeks before and after each discount rate increase, along with the weekly averages of member bank borrowings (MBB) for those weeks. When the spread has narrowed after a discount rate increase, the average level of member bank borrowings has generally declined. When the Federal funds rate has increased by more than the rise in the discount rate, so that the spread has widened, the average level of member bank borrowings has increased.

MEMBER BANK BORROWINGS (MBB) AND THE SPREAD BETWEEN THE FEDERAL FUNDS RATE AND THE DISCOUNT RATE (FFR-DR)

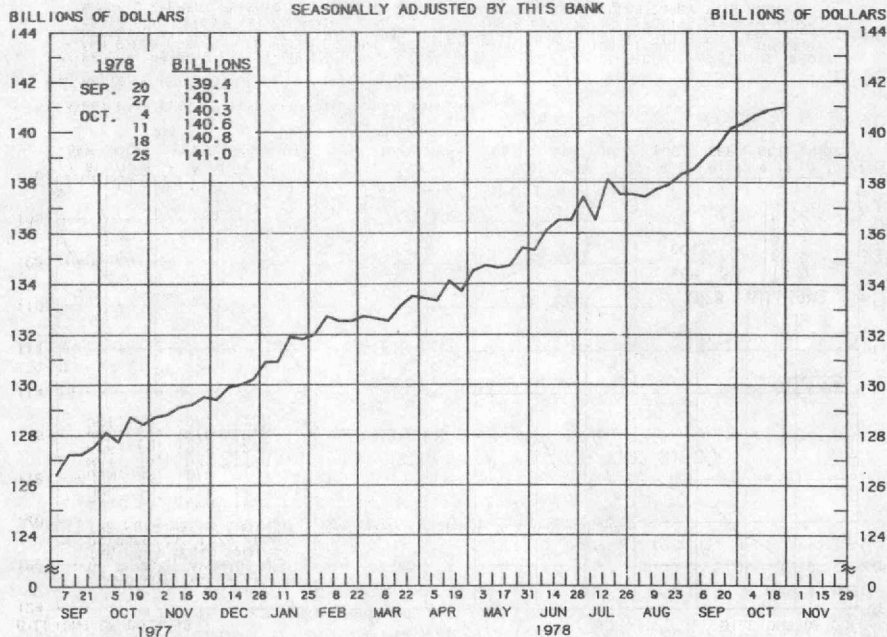
Discount Rate Change Effective Week Ending Wednesday	Week Before		Week After	
	FFR-DR	MBB*	FFR-DR	MBB*
8/31/77	.74 %	\$ 1,665	.22 %	\$ 636
10/26/77	.75	1,861	.50	1,113
1/11/78	.69	506	.28	418
5/10/78	.77	1,664	.34	866
7/5/78	.78	1,716	.47	903
8/23/78	.62	963	.53	1,020
9/27/78	.61	923	.85	1,285
10/18/78	.71	1,239	.74	1,314

* In millions of dollars.

Prepared by Federal Reserve Bank of St. Louis

Released: October 27, 1978

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 25, 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.

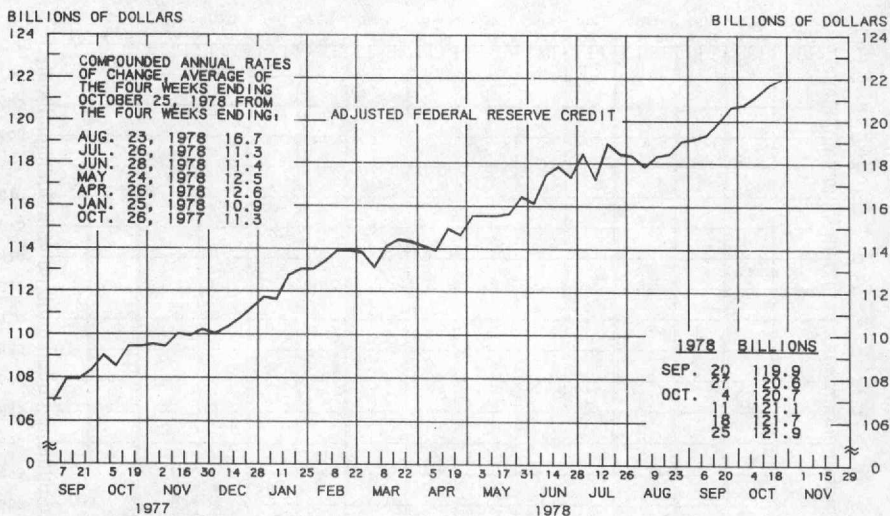
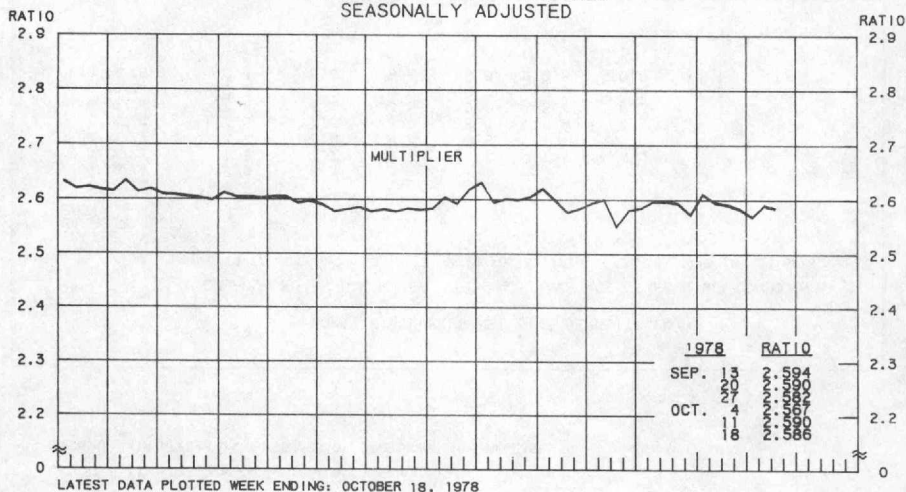
MONETARY BASE

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

	10/26/77	1/25/78	3/22/78	4/26/78	5/24/78	6/28/78	7/26/78	8/23/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/22/78	8.9							
4/26/78	8.6	6.9						
5/24/78	8.8	7.6	8.6					
6/28/78	9.3	8.7	9.9	11.3				
7/26/78	9.7	9.3	10.6	11.9	12.6			
8/23/78	8.9	8.3	8.9	9.4	9.2	7.4		
9/27/78	9.4	9.1	9.8	10.4	10.4	9.7	8.3	
10/25/78	9.8	9.5	10.3	10.9	11.0	10.7	10.0	13.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



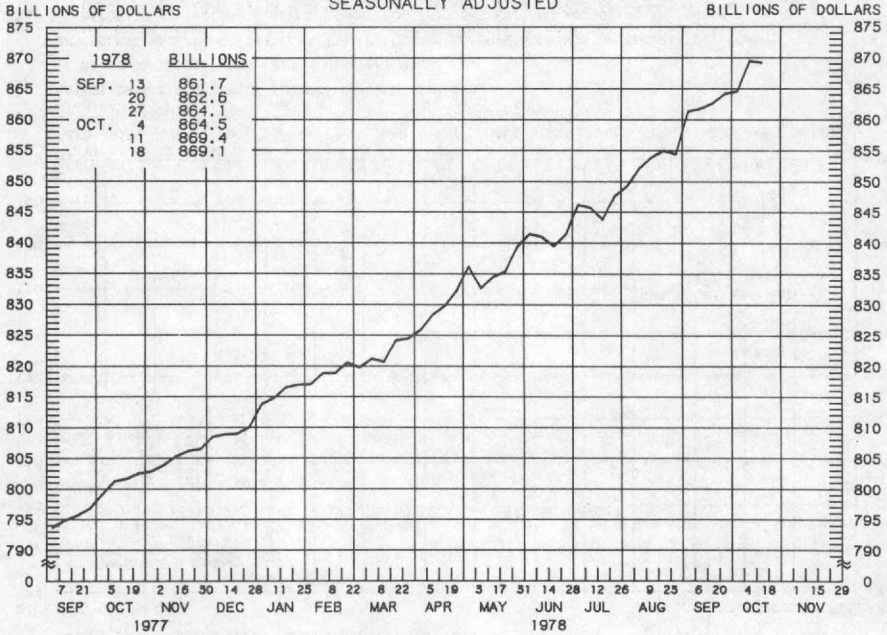
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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.

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: OCTOBER 18, 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:

10/19/77 1/18/78 3/15/78 4/19/78 5/17/78 6/21/78 7/19/78 8/16/78

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

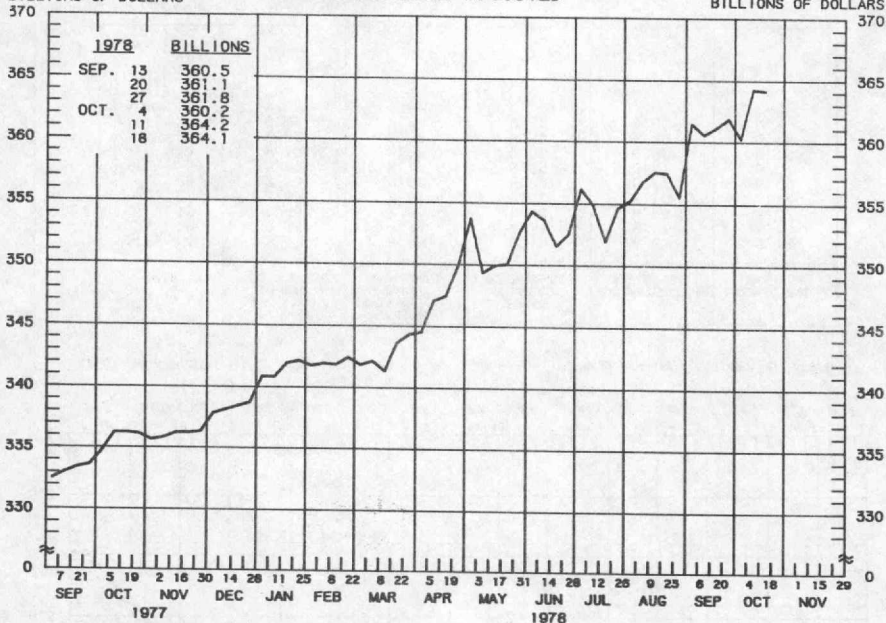
3/15/78	6.6						
4/19/78	7.0	6.8					
5/17/78	7.5	7.7	9.7				
6/21/78	7.7	7.9	9.3	9.6			
7/19/78	7.5	7.6	8.6	8.5	7.4		
8/16/78	7.8	8.0	8.9	9.0	8.4	8.3	
9/20/78	8.2	8.6	9.5	9.7	9.3	9.7	11.3
10/18/78	8.4	8.8	9.6	9.8	9.6	10.0	11.1 11.4

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 18, 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:

10/19/77 1/18/78 3/15/78 4/19/78 5/17/78 6/21/78 7/19/78 8/16/78

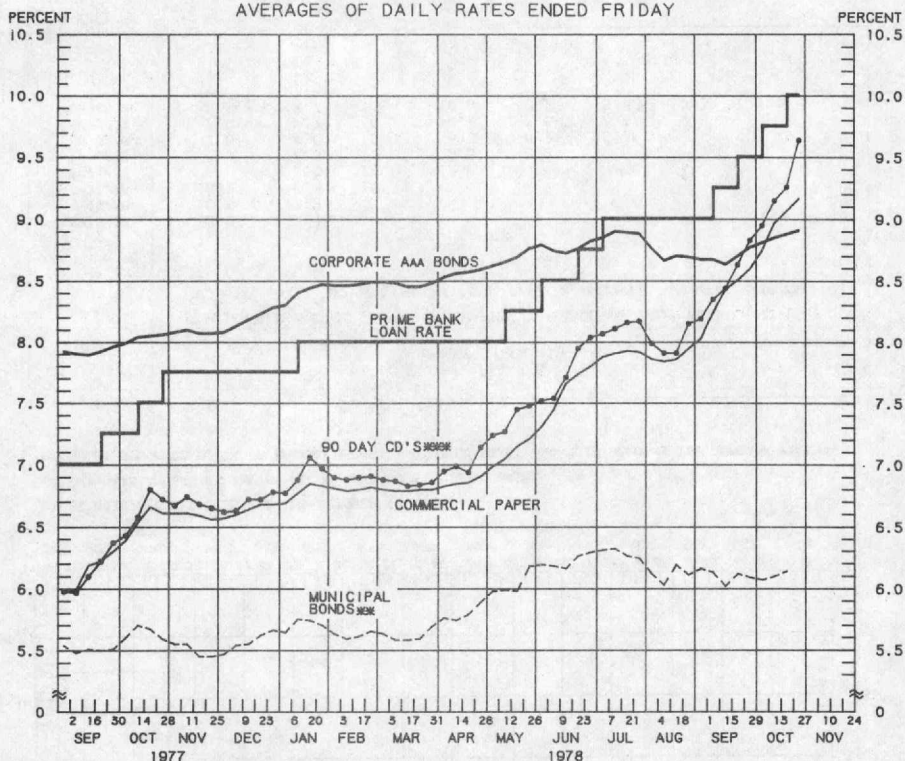
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/15/78	5.0						
4/19/78	6.4	6.2					
5/17/78	8.2	9.4	15.8				
6/21/78	8.0	8.8	12.6	12.6			
7/19/78	7.5	7.9	10.4	9.6	5.2		
8/16/78	7.6	8.0	10.0	9.3	6.2	5.7	
9/20/78	7.9	8.4	10.2	9.7	7.5	7.7	9.9
10/18/78	8.2	8.7	10.4	10.0	8.2	8.6	10.3
							11.2

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: OCTOBER 27, 1978

1978	90 DAY CD'S <small>WEEK</small>	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS <small>WEEK</small>
SEP. 1	8.19	8.03	8.19	8.67	6.16
8	8.35	8.24	8.31	8.67	6.13
15	8.44	8.43	8.44	8.63	6.02
22	8.63	8.51	8.62	8.70	6.12
29	8.83	8.60	8.82	8.77	6.09
OCT. 6	8.95	8.75	8.89	8.81	6.07
13	9.15	8.97	9.06	8.85	6.10
20	9.26	9.07	9.33	8.88	6.14
27 *	9.64	9.17	9.49	8.91	N.A.
NOV. 3					
10					
17					
24					

* AVERAGES OF RATES AVAILABLE.

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

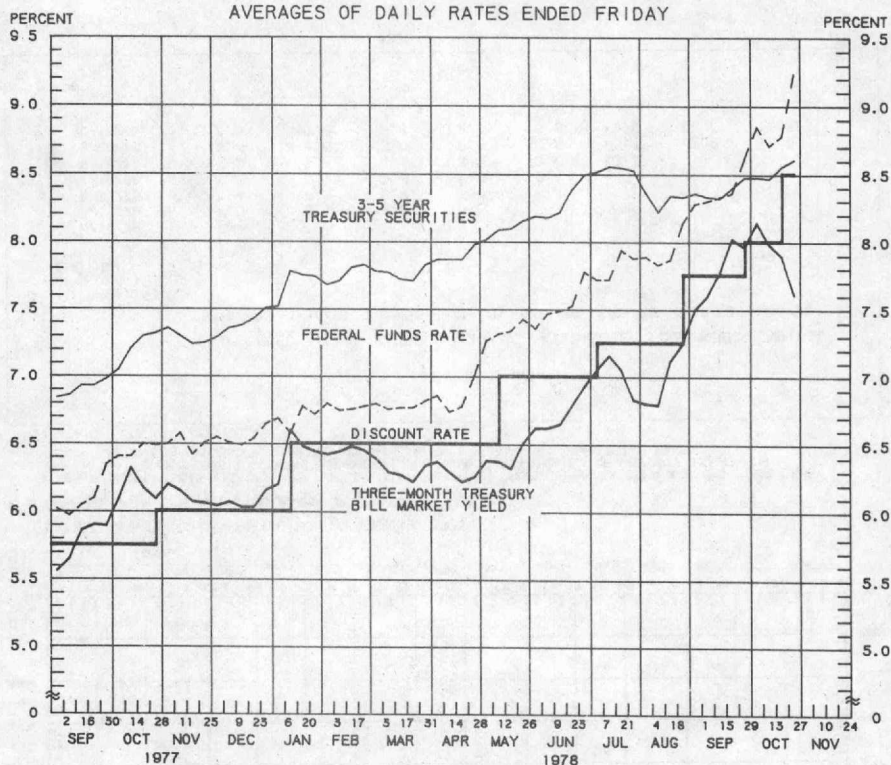
WEEK SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H-9 RELEASE.

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: OCTOBER 27, 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
SEP. 1	8.28	7.50	7.55	7.86	8.36	8.34
8	8.30	7.60	7.74	7.86	8.33	8.31
15	8.33	7.77	7.79	7.95	8.32	8.28
22	8.36	8.02	7.98	8.08	8.40	8.40
29	8.62	7.96	8.28	8.16	8.48	8.51
OCT. 6	8.85	8.14	8.38	8.23	8.48	8.55
13	8.71	7.98	8.42	8.28	8.47	8.53
20	8.78	7.89	8.56	8.46	8.56	8.59
27 *	9.24	7.61	8.61	8.46	8.61	8.62
NOV. 3						
10						
17						
24						

* 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.

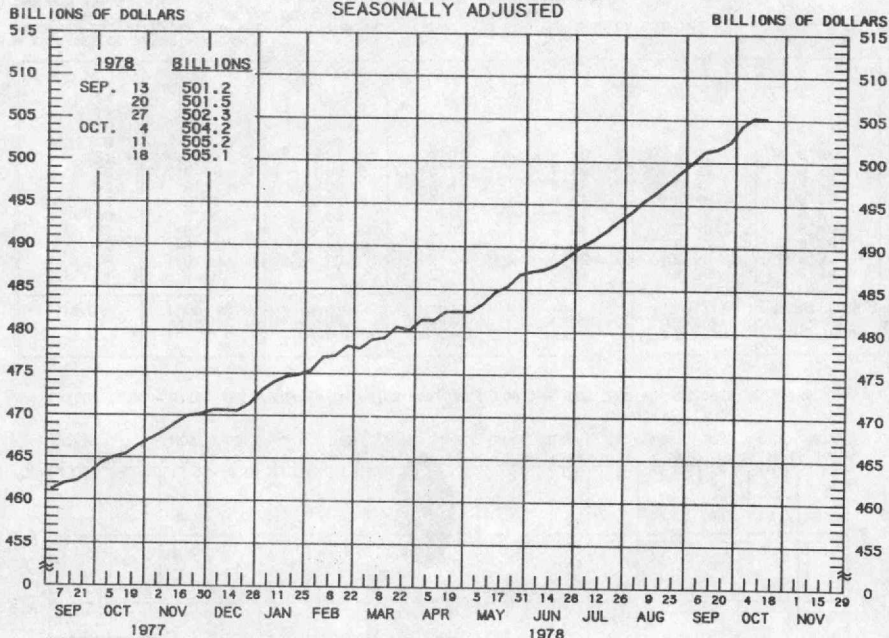
**** NEW ISSUE RATE

***** 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: OCTOBER 18, 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:

	10/19/77	1/18/78	3/15/78	4/19/78	5/17/78	6/21/78	7/19/78	8/16/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/15/78	7.7							
4/19/78	7.4							
5/17/78	7.0	6.5	5.6					
6/21/78	7.4	7.2	6.9	7.4				
7/19/78	7.5	7.4	7.3	7.8	9.1			
8/16/78	7.9	8.0	8.1	8.8	10.0	10.3		
9/20/78	8.4	8.6	8.9	9.6	10.6	11.1	12.2	
10/18/78	8.5	8.8	9.1	9.7	10.6	11.0	11.7	11.6

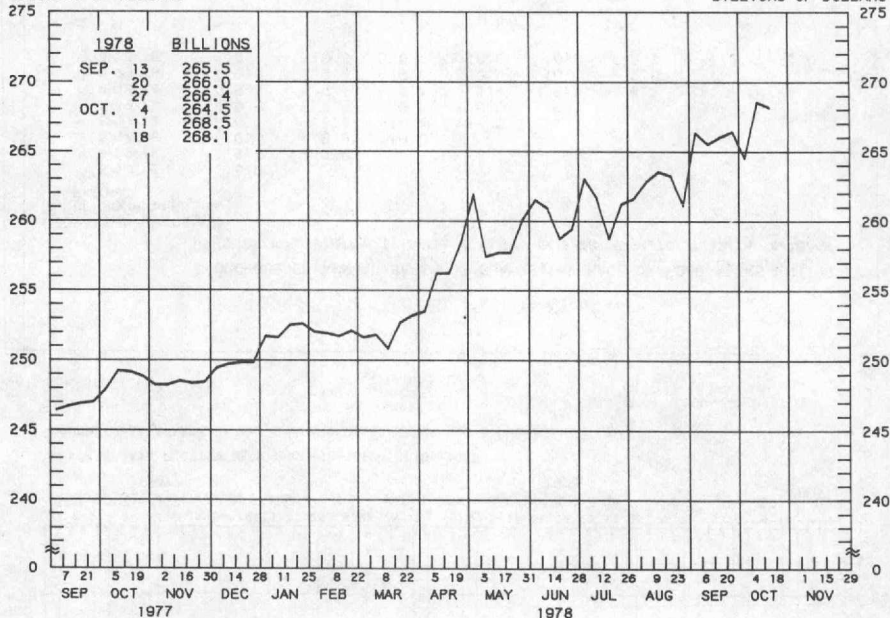
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 18, 1978

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

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

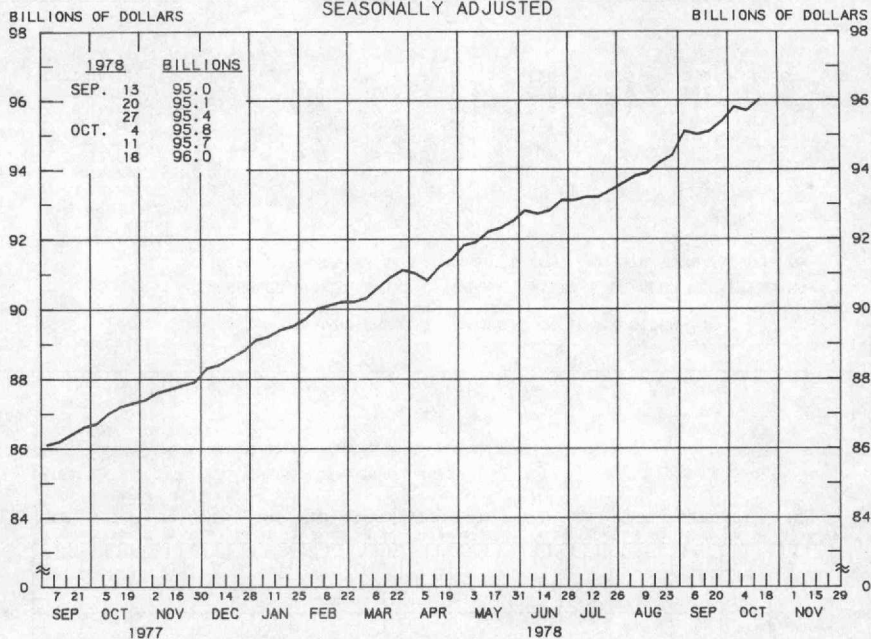
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	10/19/77	1/18/78	3/15/78	4/19/78	5/17/78	6/21/78	7/19/78	8/16/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/15/78		3.3						
4/19/78		5.3	5.5					
5/17/78		7.5	9.4	18.0				
6/21/78		7.3	8.6	13.5	13.1			
7/19/78		6.7	7.5	10.8	9.6	4.1		
8/16/78		6.9	7.6	10.3	9.3	5.4	5.1	
9/20/78		7.2	8.0	10.3	9.4	6.6	6.9	9.2
10/18/78		7.5	8.3	10.4	9.7	7.5	8.0	9.9
								10.6

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 18, 1978

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

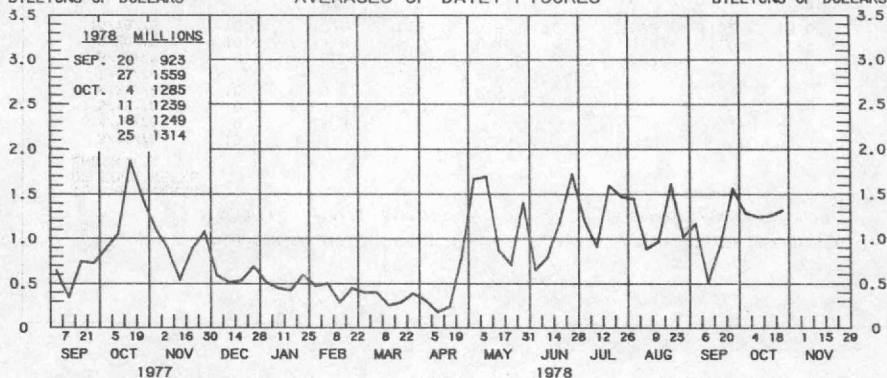
CURRENCY

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

	10/19/77	1/18/78	3/15/78	4/19/78	5/17/78	6/21/78	7/19/78	8/16/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/15/78	10.0							
4/19/78	9.7	8.8						
5/17/78	10.0	9.6	10.0					
6/21/78	10.1	9.8	10.2	11.3				
7/19/78	9.8	9.4	9.6	10.0	9.1			
8/16/78	9.5	9.1	9.1	9.4	8.5	7.2		
9/20/78	10.0	9.8	10.0	10.4	10.1	9.8	11.0	
10/18/78	10.1	10.0	10.2	10.6	10.3	10.2	11.2	13.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BILLIONS OF DOLLARS

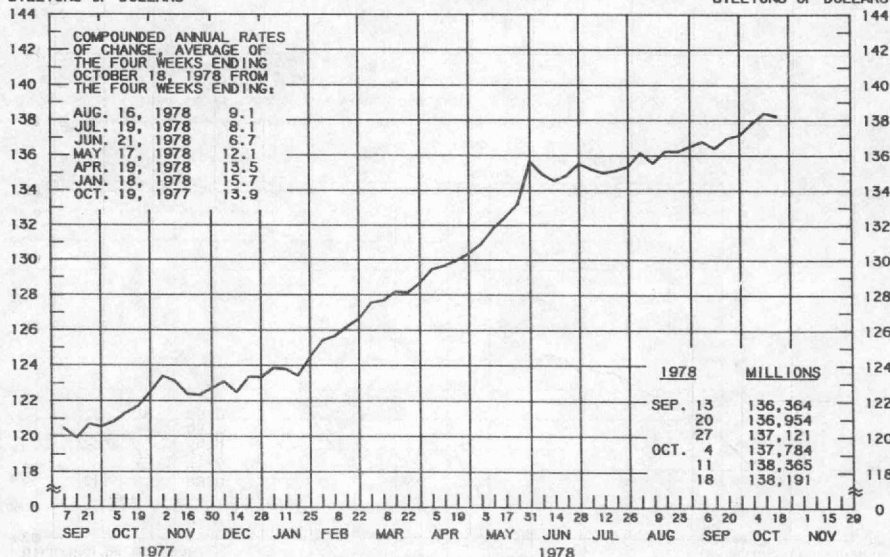


LATEST DATA PLOTTED WEEK ENDING: OCTOBER 25, 1978

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

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

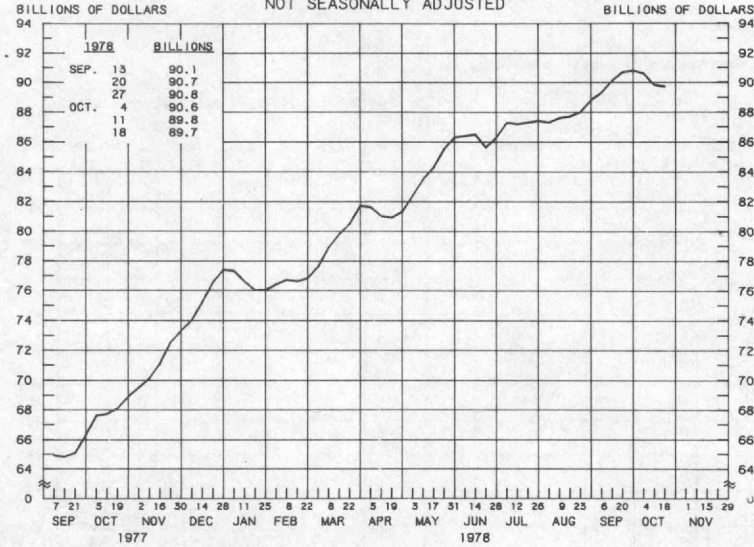


LATEST DATA PLOTTED WEEK ENDING: OCTOBER 18, 1978

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 18, 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