

Week ending: November 1, 1978



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DEC 26 1979

This past week the Federal Reserve Banks raised their discount rates from 8.50 percent to 9.50 percent. This discount rate increase, the third in the past two months and the seventh since early January, was one of several measures taken, according to the Board of Governors' press release, "to strengthen the dollar and thereby counter continuing domestic inflationary pressures."

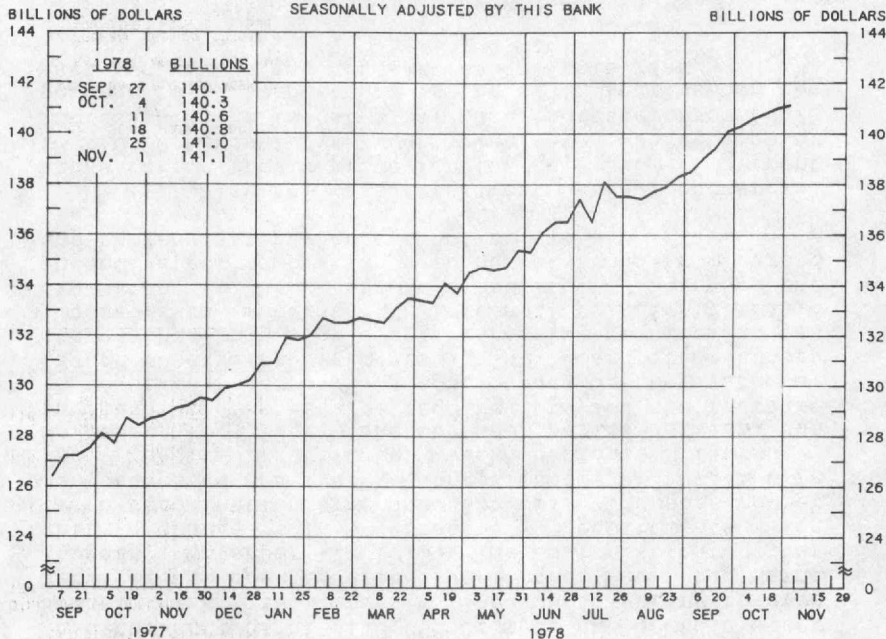
Among the other measures announced by the Federal Reserve was the establishment of a supplementary 2 percent reserve requirement to be applied to all outstanding member bank time deposits in denominations of \$100,000 or more and certain other member bank liabilities. The supplementary reserve requirement became effective in the week beginning Thursday, November 2, 1978. The Board estimated that this change in reserve requirements on large-denomination time deposits will increase member bank required reserves by approximately \$3 billion in the reserve settlement week beginning Thursday, November 16, 1978. (The two-week period between the increase in the reserve requirements and the increase in required reserves is a consequence of the system of lagged reserve requirements.) The Board of Governors stated that this supplementary reserve requirement was imposed "to moderate the recent relatively rapid expansion in bank credit" and to "increase the incentive for member banks to borrow funds from abroad and thereby strengthen the dollar...."

Also this past week most large commercial banks raised their prime lending rate from 10 percent to 10.50 percent in two successive quarter point increases. The latest prime rate increase, from 10.25 percent to 10.50 percent, is the sixth increase in the past two months and the eleventh of this year.

Prepared by Federal Reserve Bank of St. Louis

Released: November 3, 1978

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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 1, 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

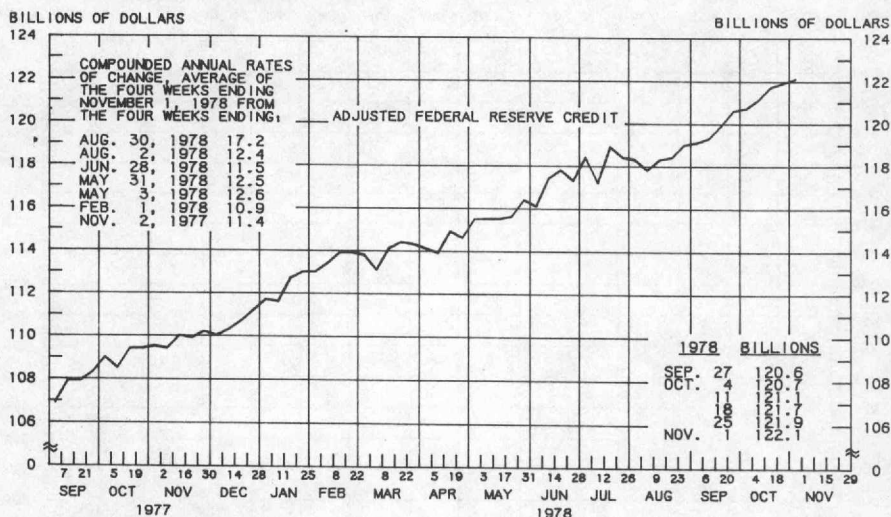
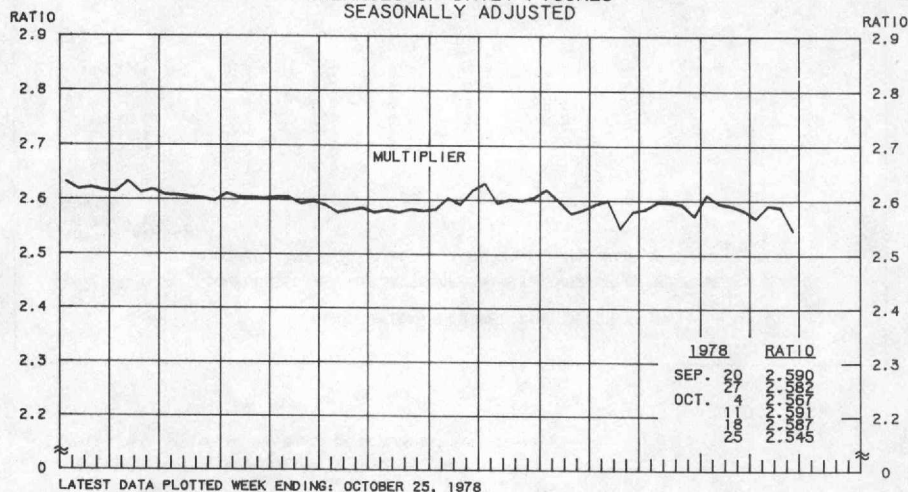
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

	11/2/77	2/1/78	3/29/78	5/3/78	5/31/78	6/28/78	8/2/78	8/30/78
3/29/78	8.9							
5/ 3/78	8.8	6.9						
5/31/78	8.9	7.6	9.0					
6/28/78	9.3	8.5	10.0	11.2				
8/ 2/78	9.5	8.8	10.1	10.9	11.2			
8/30/78	8.9	8.2	8.9	9.2	8.9	7.4		
10/ 4/78	9.6	9.2	10.1	10.5	10.6	10.2	10.1	
11/ 1/78	9.7	9.4	10.3	10.7	10.8	10.5	10.6	13.7

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



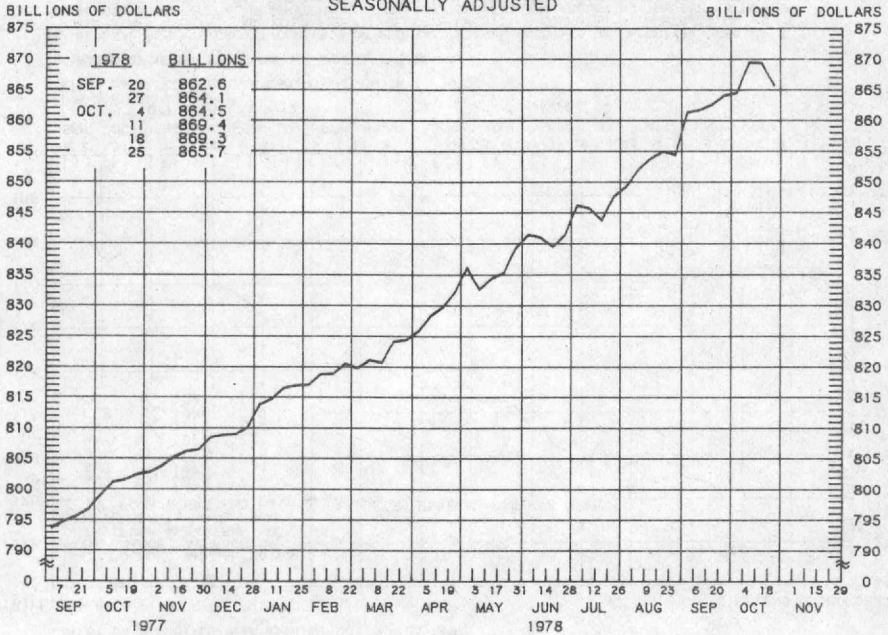
LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 1, 1978

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: OCTOBER 25, 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:

	10/26/77	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	6.4							
4/26/78	7.1	6.8						
5/24/78	7.4	7.3	9.6					
6/28/78	7.5	7.5	9.1	8.5				
7/26/78	7.5	7.6	8.8	8.4	8.0			
8/23/78	7.8	8.0	9.2	8.9	8.9	9.4		
9/27/78	8.3	8.7	9.8	9.8	9.9	10.7	11.9	
10/25/78	8.3	8.5	9.5	9.4	9.5	9.9	10.5	10.4

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# MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 25, 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:

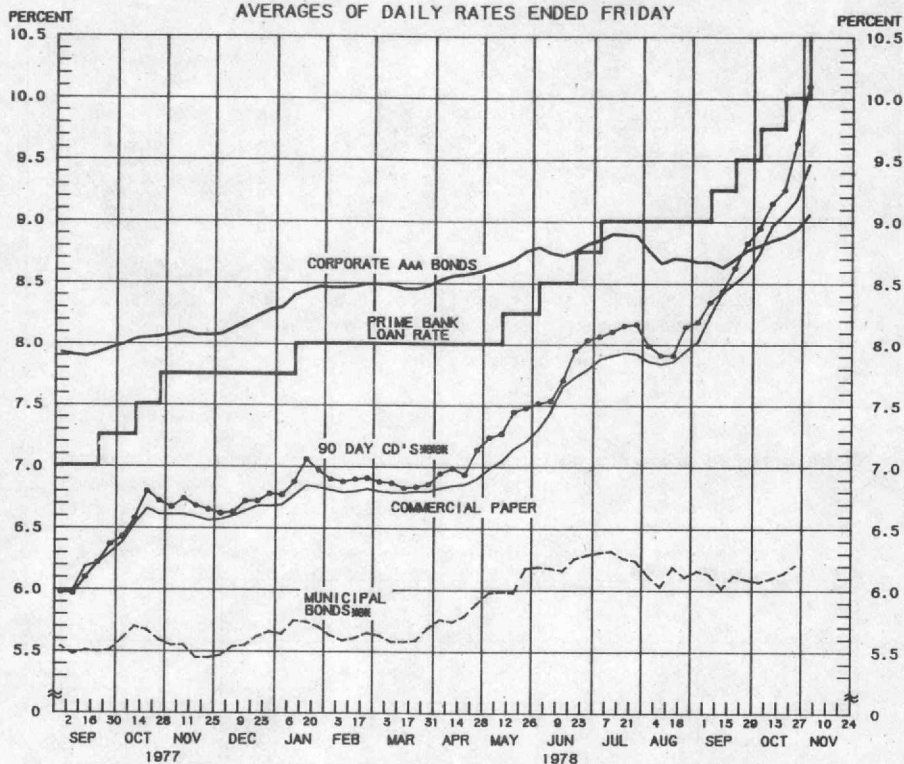
	10/26/77	1/25/78	3/22/78	4/26/78	5/24/78	6/28/78	7/26/78	8/23/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/22/78	4.8							
4/26/78	6.9	7.0						
5/24/78	7.8	8.6	15.2					
6/28/78	7.7	8.2	12.2	10.0				
7/26/78	7.5	7.8	10.6	8.6	6.3			
8/23/78	7.6	7.9	10.3	8.6	7.0	7.0		
9/27/78	8.2	8.7	11.0	9.8	8.9	9.6	11.6	
10/25/78	7.8	8.1	9.8	8.6	7.7	7.9	8.7	8.7

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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: NOVEMBER 3, 1978

1978		90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
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	9.19	9.59	8.94	6.21
NOV.	3 *	10.10	9.47	10.35	9.06	N.A.
	10					
	17					
	24					

\* 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

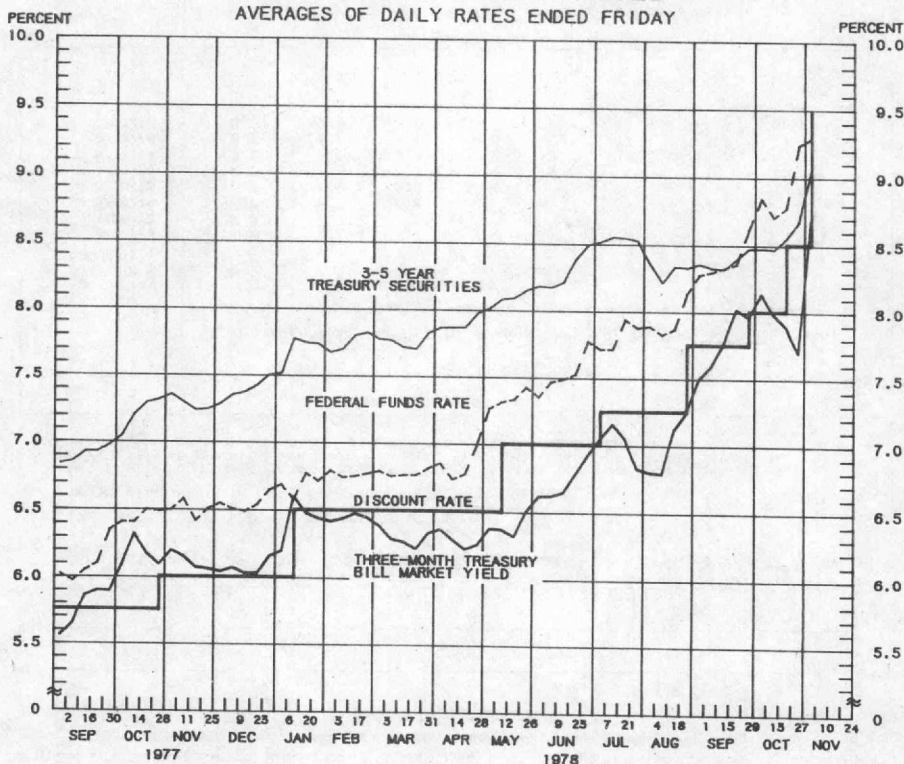
EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

N.A. - NOT AVAILABLE

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## SELECTED INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: NOVEMBER 3, 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	7.70	8.61	8.53	8.68	8.64
NOV. 3 *	9.29	8.69	8.98	9.11	9.05	8.75
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.

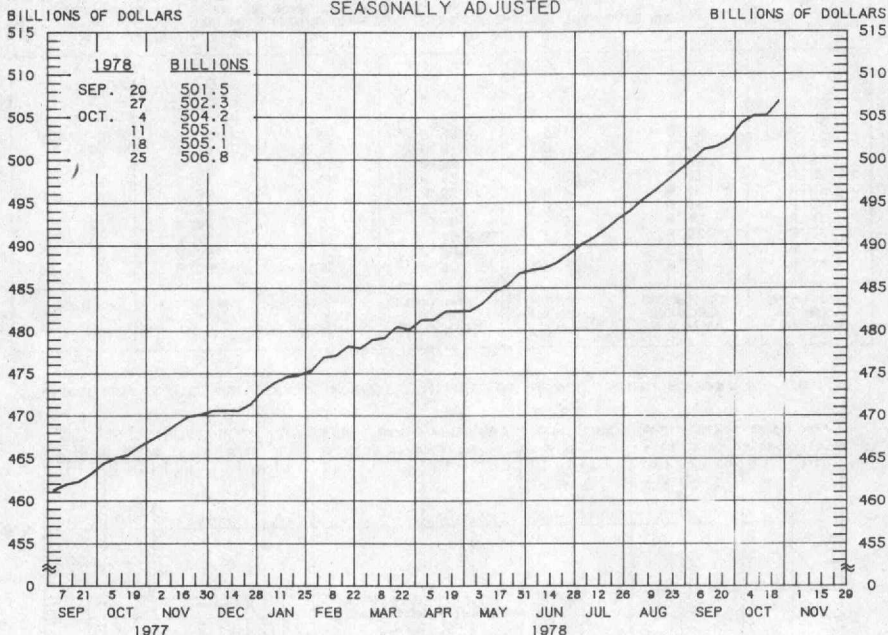
\*\*\*\* NEW ISSUE RATE

\*\*\*\*\* 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 25, 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:

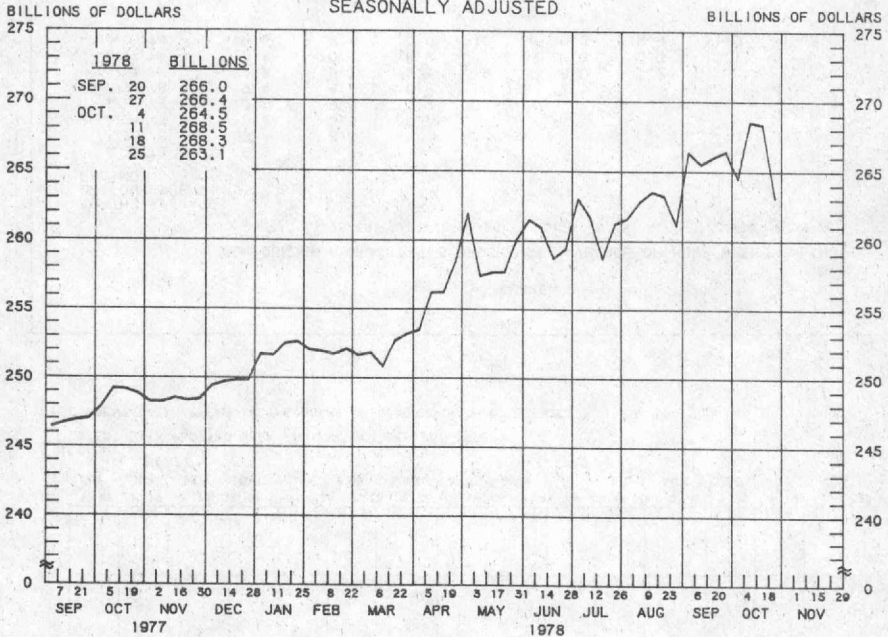
	10/26/77	1/25/78	3/22/78	4/26/78	5/24/78	6/28/78	7/26/78	8/23/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/22/78		7.6						
4/26/78		7.2	6.7					
5/24/78		7.0	6.5	5.8				
6/28/78		7.3	7.0	6.8	7.4			
7/26/78		7.5	7.4	7.5	8.2	9.3		
8/23/78		8.0	8.1	8.4	9.2	10.2	11.2	
9/21/78		8.4	8.6	9.0	9.8	10.7	11.4	12.1
10/25/78		8.6	8.9	9.3	10.0	10.8	11.4	11.8
								11.6

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# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 25, 1978

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

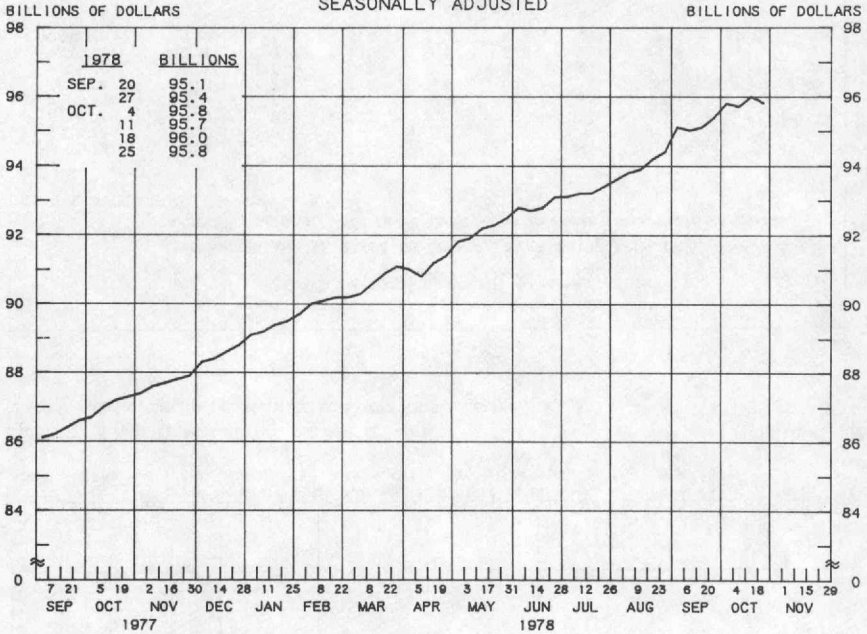
## DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	10/26/77	1/25/78	3/22/78	4/26/78	5/24/78	6/28/78	7/26/78	8/23/78
3/22/78		2.9						
4/26/78		6.0	6.5					
5/24/78		7.0	8.2	17.2				
6/28/78		6.8	7.7	13.0	9.4			
7/26/78		6.6	7.3	11.2	8.0	5.5		
8/23/78		6.8	7.5	10.7	8.2	6.5	6.9	
9/27/78		7.6	8.4	11.3	9.5	8.5	9.6	11.6
10/25/78		7.0	7.5	9.8	8.0	6.9	7.2	7.9
								7.5

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CURRENCY COMPONENT  
OF MONEY STOCK  
AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



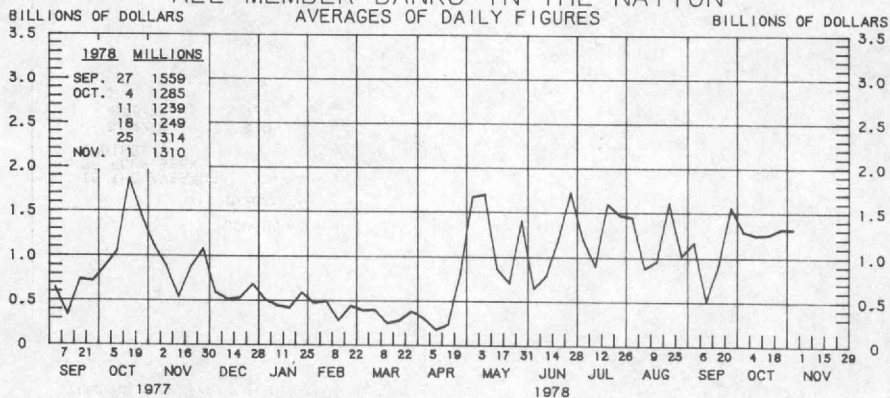
LATEST DATA PLOTTED WEEK ENDING: OCTOBER 25, 1978

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

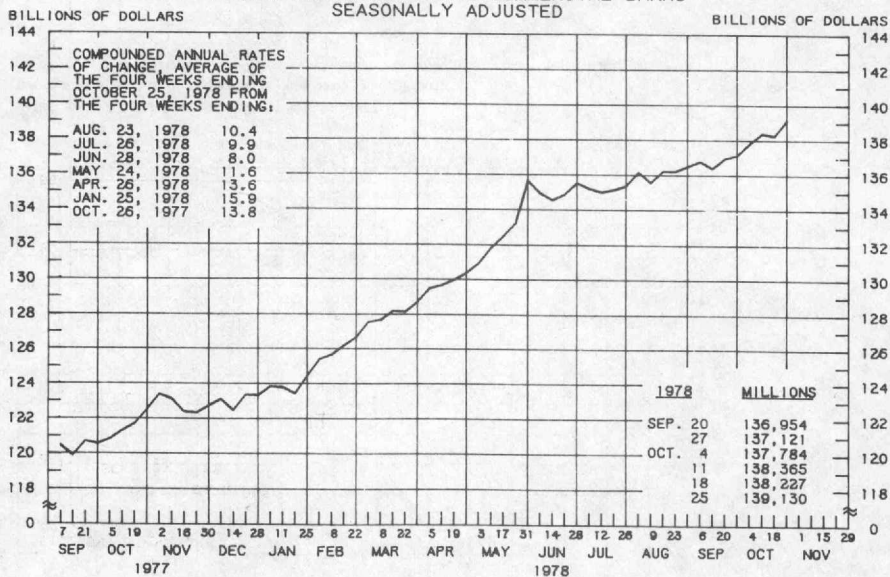
CURRENCY								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
	10/26/77	1/25/78	3/22/78	4/26/78	5/24/78	6/28/78	7/26/78	8/23/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/22/78	9.9							
4/26/78	9.4	8.3						
5/24/78	10.2	9.9	10.7					
6/28/78	10.1	9.8	10.2	12.0				
7/26/78	9.4	8.9	8.9	9.5	7.1			
8/23/78	9.5	9.1	9.1	9.7	8.0	7.2		
9/27/78	10.1	10.0	10.2	11.0	10.0	10.3	13.1	
10/25/78	10.0	9.8	10.0	10.6	9.8	9.9	11.6	12.3

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



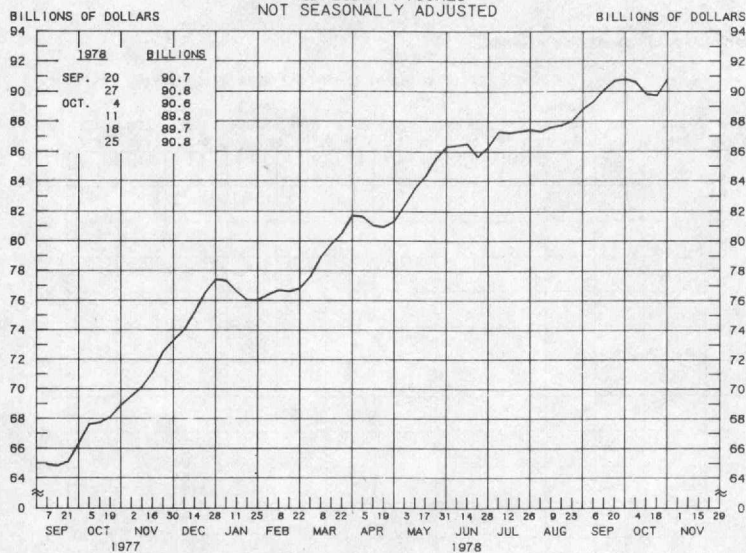
## BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 25, 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