



U.S. FINANCIAL DATA

Week ending: November 29, 1978

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The monetary base, composed of the sum of total reserves of member banks, vault cash of nonmember banks, and the currency holdings of the public, is the major constraint on the amount of money and bank credit. In addition to open market operations, three factors have had a sizable influence on the growth of the base in the last four weeks. Changes in two of these factors reflect the effects of Federal Reserve actions, while the third reflects actions by the Treasury.

At the beginning of November, the Federal Reserve established a supplementary 2 percent reserve requirement against member bank time deposits in excess of \$100,000 and certain other member bank liabilities. The initial impact on member bank reserves resulted in an increase in member bank required reserves of about \$3.1 billion last week (reserve settlement week ending November 22, 1978). Because such an increase in required reserves reduces the amount of money and bank credit a given amount of monetary base can support, the reserve adjustment magnitude (RAM) used to compute the monetary base was reduced by \$3.1 billion due to this effect.

On November 1, the Federal Reserve discount rate was increased from 8.50 to 9.50 percent, substantially reducing the spread between the discount rate and the costs of alternative sources of reserves to individual member banks. In the last four weeks member bank borrowing averaged \$0.6 billion below the previous four weeks, hence, reducing the average level of the monetary base by an equivalent amount.

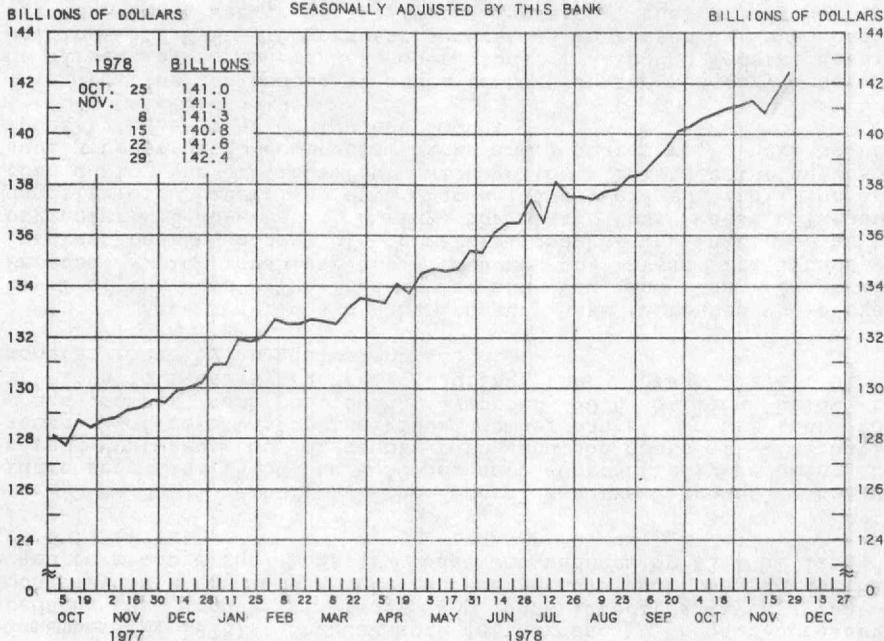
Recent actions by the Treasury have increased the average level of the base. The Treasury's new Tax and Loan Investment Program, which enables the Treasury to invest its funds in interest-bearing notes of commercial banks, was initiated at the beginning of November. During the last four weeks, Treasury deposits with Federal Reserve Banks have averaged \$7 billion less than during the previous four week period. This decline serves to supply reserves to commercial banks and, therefore, increases the monetary base by an equivalent amount.

The influence of other factors on the monetary base can be offset by open market operations. Although Federal Reserve holdings of U.S. Government securities increased by more than \$2 billion last week, partially offsetting the impact of the supplementary reserve requirement on the monetary base, U.S. government securities held by the Federal Reserve have averaged about \$4.3 billion less during the last four weeks than during the previous four weeks.

Prepared by Federal Reserve Bank of St. Louis

Released: December 1, 1978

MONETARY BASE
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 29, 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.

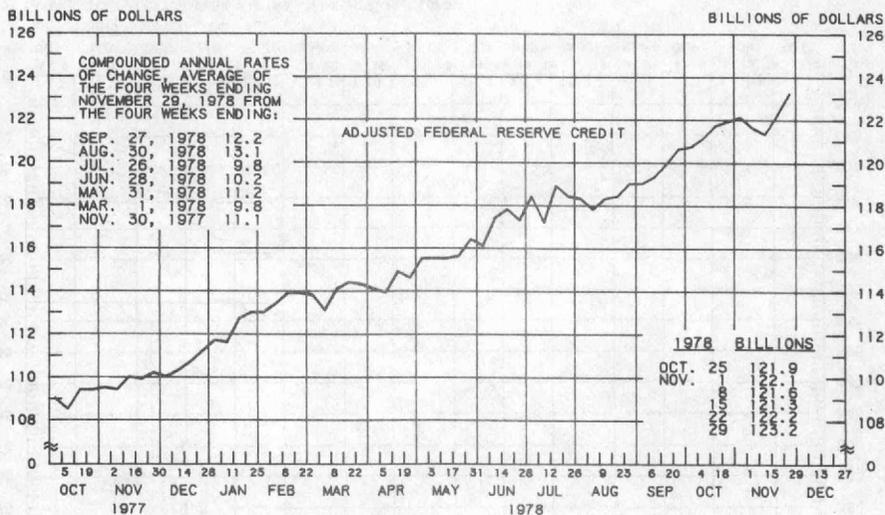
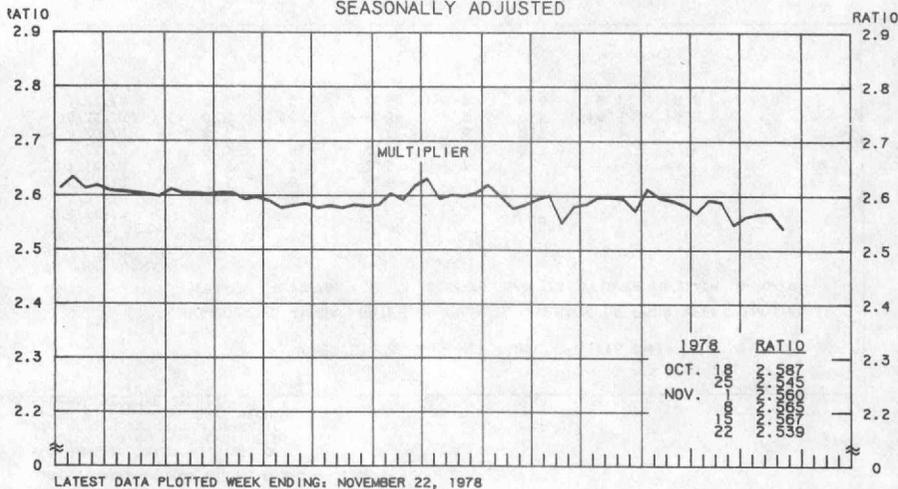
MONETARY BASE

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	11/30/77	5/1/78	4/26/78	5/31/78	6/28/78	7/26/78	8/30/78	9/27/78
4/26/78	8.6							
5/31/78	9.0	7.1						
6/28/78	9.4	8.3	11.3					
7/26/78	9.9	9.2	11.9	12.7				
8/30/78	9.0	8.0	9.4	8.9	7.4			
9/27/78	9.4	8.8	10.2	10.1	9.4	7.8		
11/1/78	9.8	9.4	10.8	10.8	10.5	9.8	13.7	
11/29/78	9.5	9.0	10.1	10.0	9.6	8.9	11.2	9.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



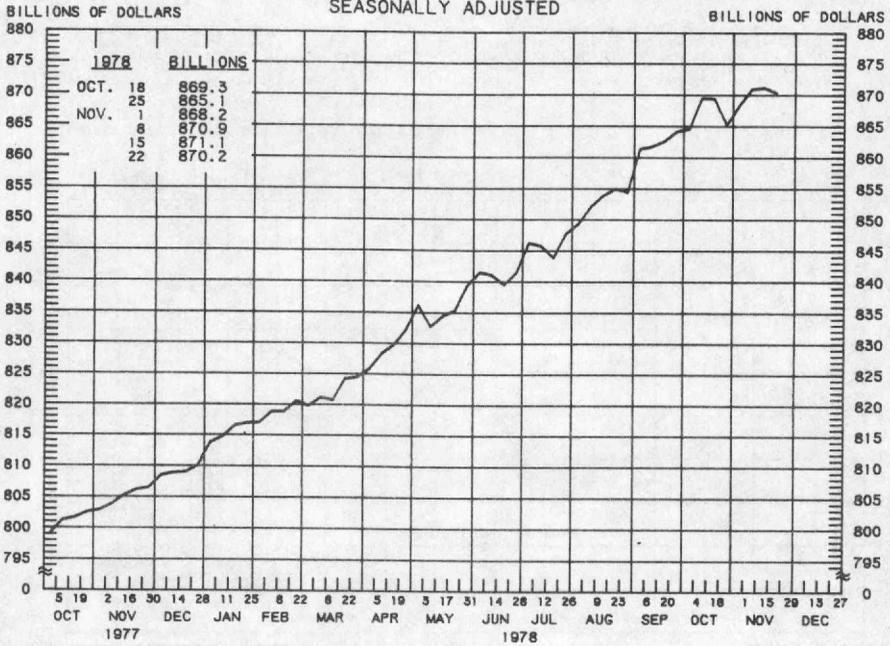
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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



MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

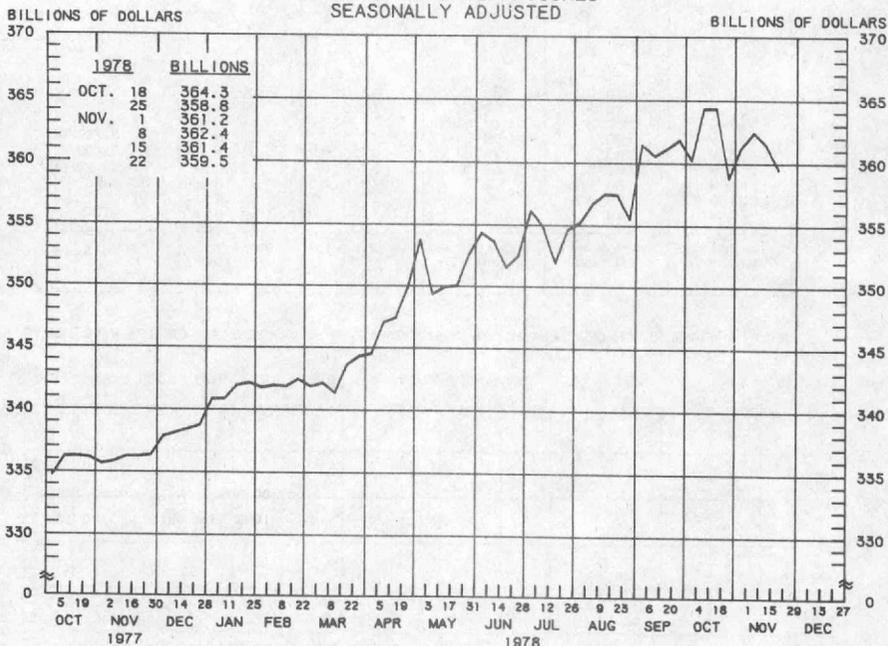
11/23/77 2/22/78 4/19/78 5/24/78 6/21/78 7/19/78 8/23/78 9/20/78

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/19/78	7.1							
5/24/78	7.6	7.9						
6/21/78	7.8	8.3	9.6					
7/19/78	7.6	7.9	8.5	7.7				
8/23/78	8.0	8.4	9.1	8.9	8.7			
9/20/78	8.4	8.9	9.7	9.6	9.7	11.3		
10/25/78	8.5	8.9	9.5	9.4	9.5	10.5	10.3	
11/22/78	8.2	8.4	8.9	8.7	8.6	9.1	8.5	7.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 22, 1978

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

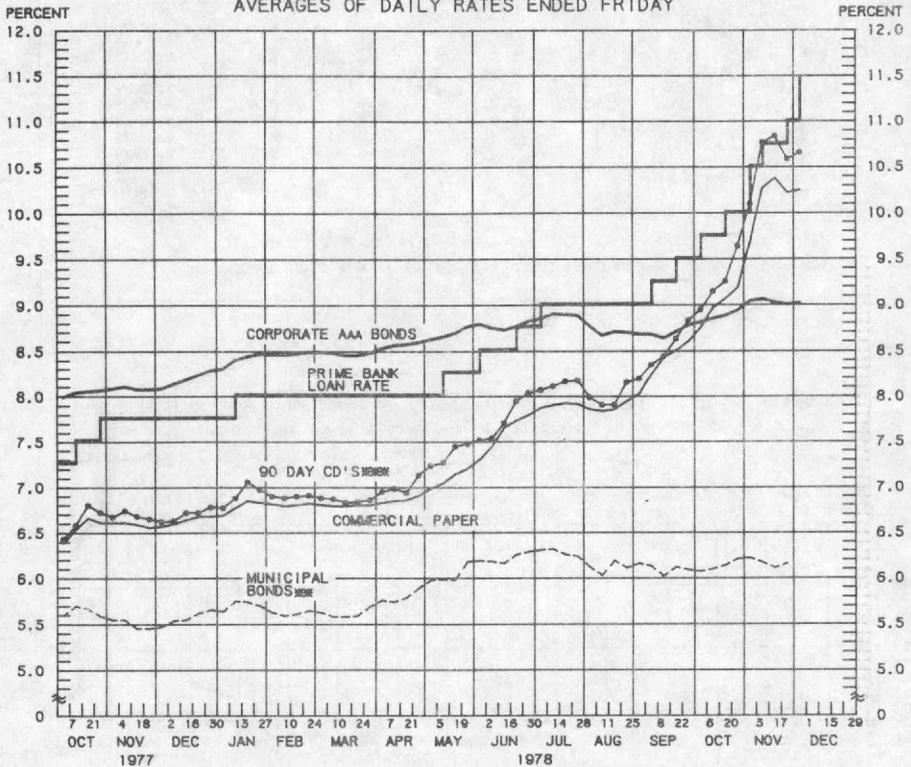
THE MONEY STOCK CONSISTS OF DEMAND DEPOSITS PLUS CURRENCY AND COIN HELD BY THE NONBANK PUBLIC.

MONEY STOCK (M1)									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
TO THE AVERAGE OF FOUR WEEKS ENDING:	11/23/77	2/22/78	4/19/78	5/24/78	6/21/78	7/19/78	8/23/78	9/20/78	
4/19/78		7.4							
5/24/78		8.9	10.6						
6/21/78		8.9	10.2	12.6					
7/19/78		8.2	8.8	9.6	5.9				
8/23/78		8.3	8.8	9.4	7.0	6.2			
9/20/78		8.6	9.1	9.7	8.0	7.7	9.9		
10/25/78		8.4	8.8	9.2	7.7	7.5	8.8	8.7	
11/22/78		7.5	7.5	7.5	6.0	5.5	6.1	5.0	2.4

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: DECEMBER 1, 1978

1978	90 DAY CD'S WEEK	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS WEEK
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	9.68	10.46	9.04	6.22
10	10.77	10.27	10.63	9.06	6.17
17	10.84	10.38	10.47	9.02	6.11
24	10.59	10.22	10.36	9.00	6.16
DEC. 1 *	10.66	10.25	10.58	9.02	N.A.
8					
15					
22					
29					

* AVERAGES OF RATES AVAILABLE.

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

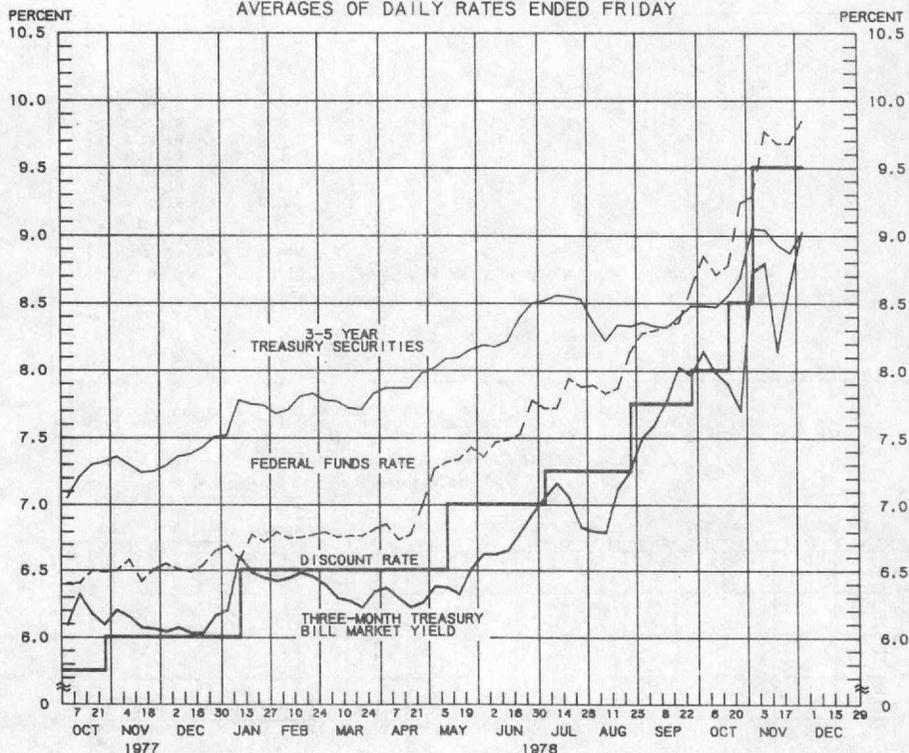
~~WEEK~~ SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: DECEMBER 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
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	8.69	8.64
NOV. 3	9.29	8.75	8.98	9.17	9.05	8.72
10	9.77	8.79	9.42	9.32	9.04	8.73
17	9.68	8.14	9.29	9.08	8.93	8.65
24	9.68	8.63	9.00	9.12	8.87	8.66
DEC. 1*	9.85	9.02	9.33	9.32	9.02	8.72
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.

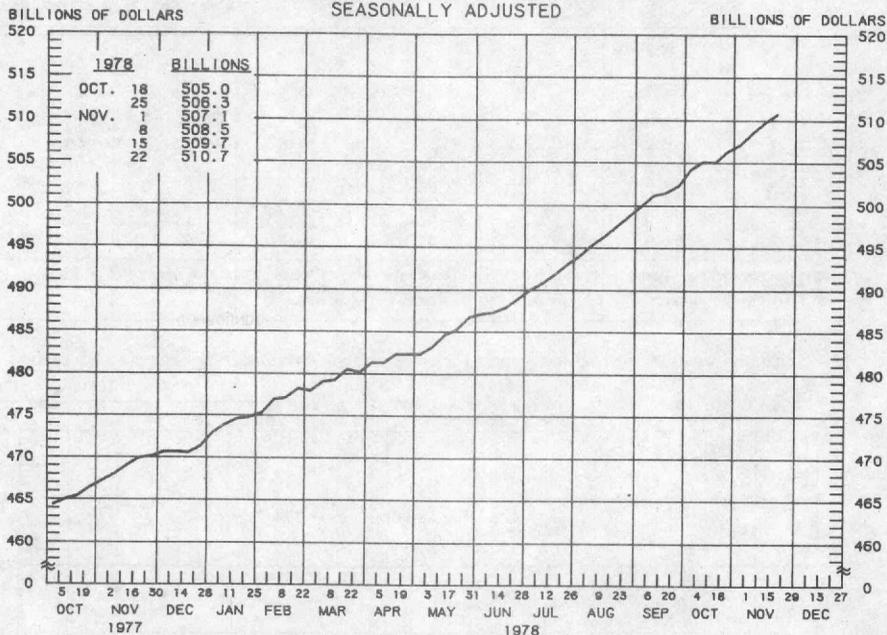
**** NEW ISSUE RATE

***** 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: NOVEMBER 22, 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

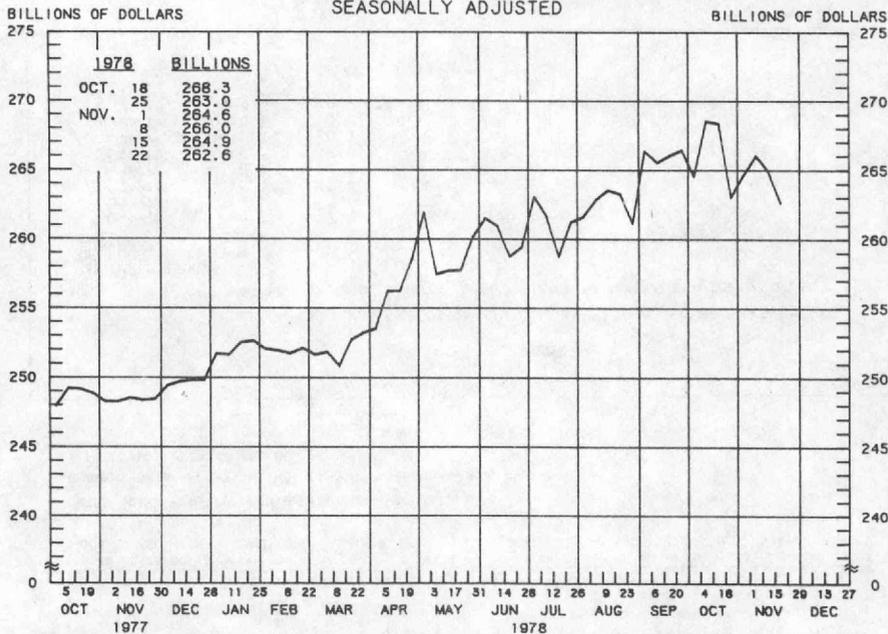
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE OF FOUR WEEKS ENDING:	11/23/77	2/22/78	4/19/78	5/24/78	6/21/78	7/19/78	8/23/78	9/20/78
4/19/78	6.9							
5/24/78	6.7	6.0						
6/21/78	7.1	6.8	7.4					
7/19/78	7.2	7.2	7.8	9.1				
8/23/78	7.8	8.1	9.0	10.2	10.5			
9/20/78	8.3	8.7	9.6	10.7	11.1	12.2		
10/25/78	8.5	8.9	9.8	10.7	11.0	11.7	11.5	
11/22/78	8.6	9.1	9.8	10.6	10.8	11.4	11.1	10.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 22, 1978

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

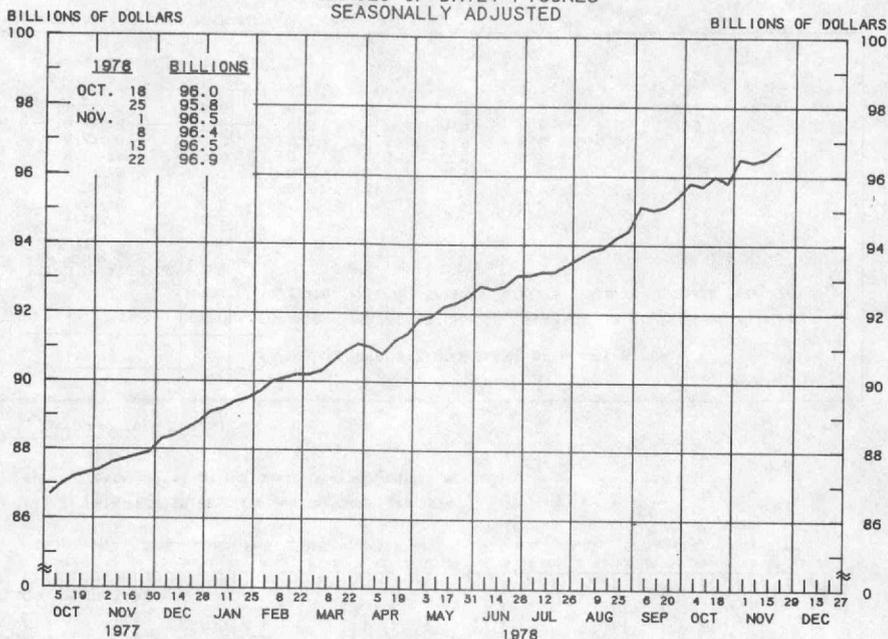
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	11/23/77	2/22/78	4/19/78	5/24/78	6/21/78	7/19/78	8/23/78	9/20/78
4/19/78	6.6							
5/24/78	8.6	11.2						
6/21/78	8.5	10.6	13.1					
7/19/78	7.7	8.9	9.6	5.1				
8/23/78	7.9	8.8	9.3	6.5	5.7			
9/20/78	8.0	9.0	9.4	7.3	6.9	9.2		
10/25/78	7.8	8.5	8.7	6.9	6.6	7.9	7.5	
11/22/78	6.5	6.7	6.5	4.5	3.9	4.3	2.6	-0.4

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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 22, 1978

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

CURRENCY

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

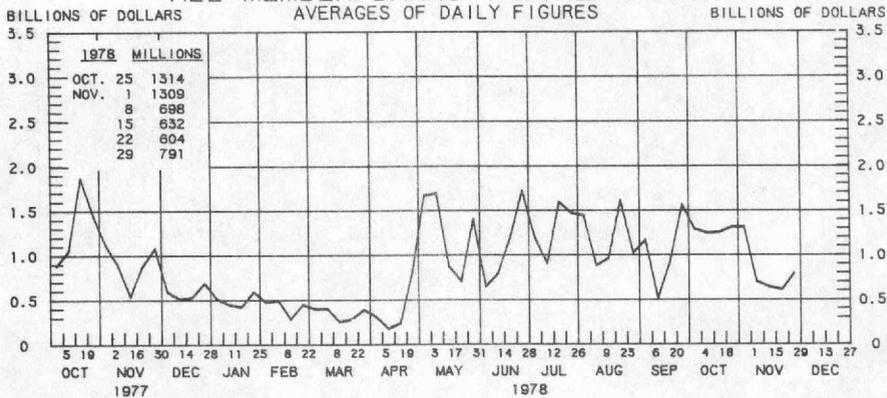
11/23/77 2/22/78 4/19/78 5/24/78 6/21/78 7/19/78 8/23/78 9/20/78

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/19/78	9.9	7.4						
5/24/78	10.5	9.7						
6/21/78	10.3	9.5	11.3					
7/19/78	9.9	9.0	10.0	8.0				
8/23/78	9.7	8.9	9.5	8.0	7.7			
9/20/78	10.2	9.6	10.4	9.6	9.8	11.0		
10/25/78	10.2	9.7	10.4	9.8	10.0	10.8	12.3	
11/22/78	10.3	9.9	10.5	10.0	10.2	10.9	12.0	10.8

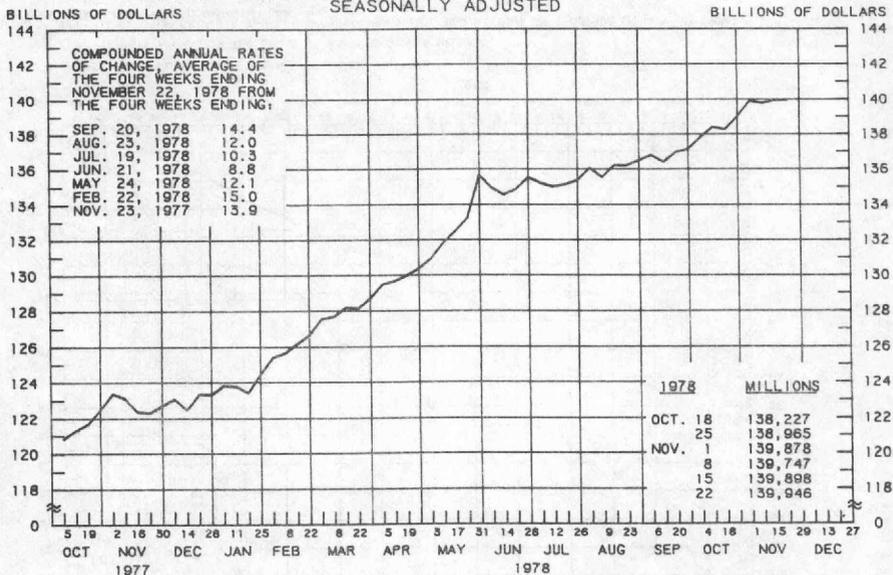
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 29, 1978

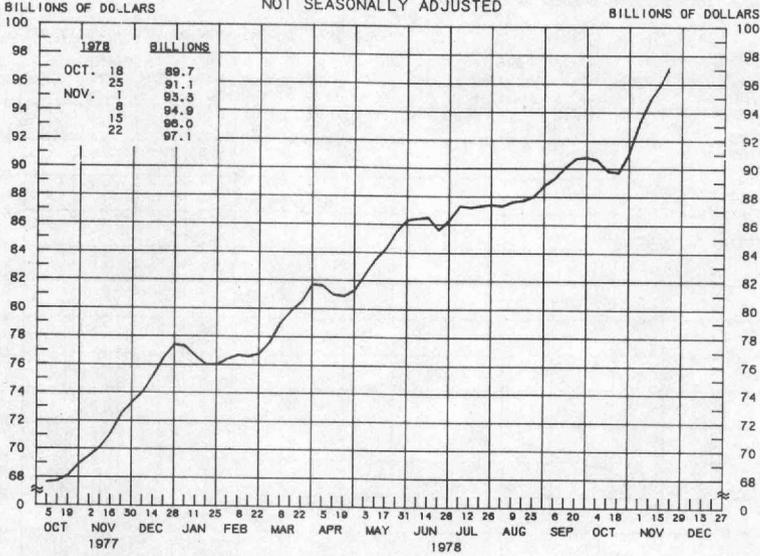
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 22, 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: NOVEMBER 22, 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