



Week ending: February 28, 1979

LIBRARY

Growth of the monetary base has continued to slow in recent weeks, a trend which began in October 1978. In the most current four months, from the four weeks ending October 18 to the four weeks ending February 21, the monetary base grew at a 6.7 percent annual rate, compared to a 10.5 percent rate of increase in the previous four months.

Associated with this deceleration of the growth of the monetary base has been a reduction in the growth rates of the monetary aggregates. As shown in the table below, growth of M1 (currency and demand deposits held by the nonbank public) declined at a 2.5 percent rate in the most recent four months, compared to an 8.5 percent rate of increase in the previous four months. Growth of M2 slowed to a 2.2 percent rate from its previous 10.6 percent rate of increase in the same periods.

The slower growth of the aggregates reflects lower rates of growth of each of their components. The most pronounced slowdown was in the growth of demand deposits, which declined at a 6.7 percent rate in the most recent four-month period, compared to a 7.7 percent rate of increase in the preceding four-month period. Net time deposits, the largest component of M2, also exhibited a substantial reduction in its rate of growth.

Growth Rates of the Monetary Base and
Monetary Aggregates
(Compounded Annual Rates of Change)

	Last 4 months*	Previous 4 months**
Monetary Base	6.7 %	10.5 %
M1	-2.5	8.5
M2	2.2	10.6
Net Time Deposits	5.7	12.2
Demand Deposits	-6.7	7.7
Currency	9.7	10.6

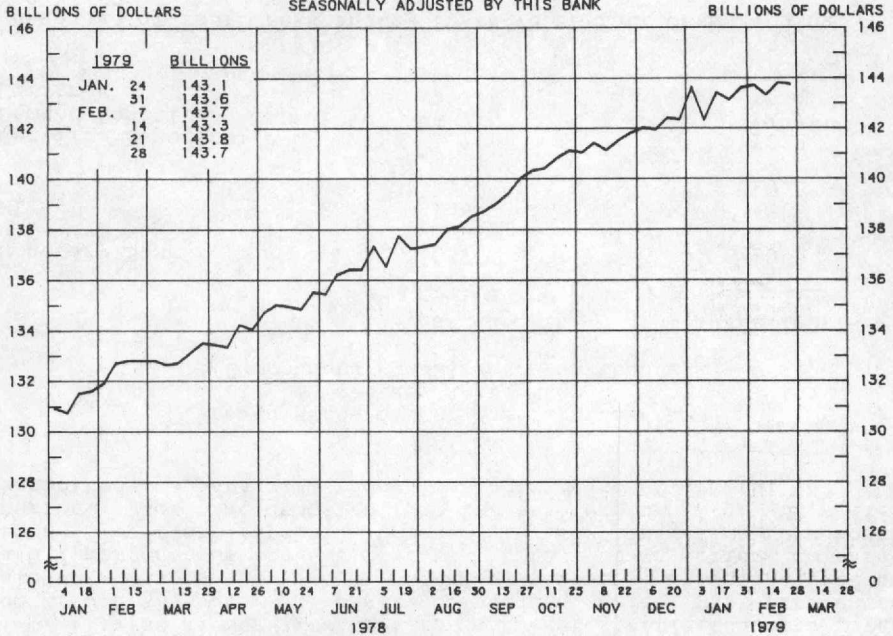
*Average of four weeks ending 10/18/78 to four weeks ending 2/21/79.

**Average of four weeks ending 6/21/78 to four weeks ending 10/18/78.

Prepared by Federal Reserve Bank of St. Louis

Released: March 2, 1979

MONETARY BASE
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 28, 1979

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.

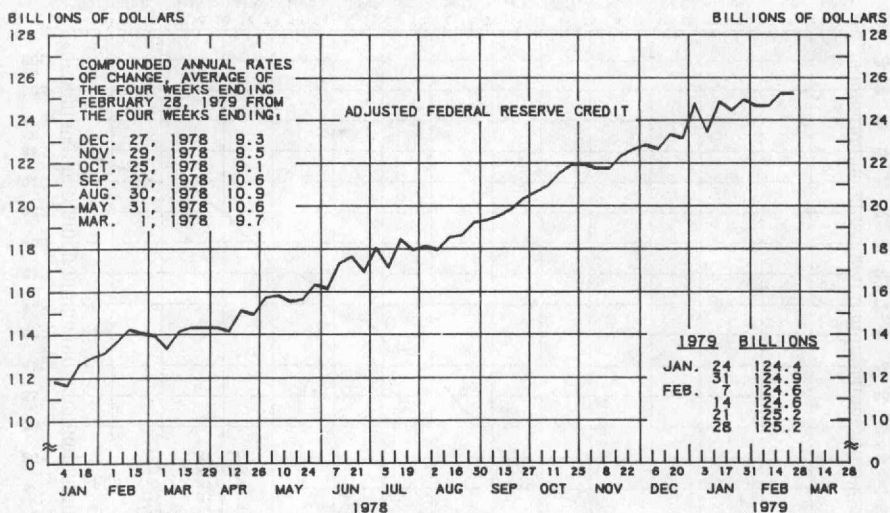
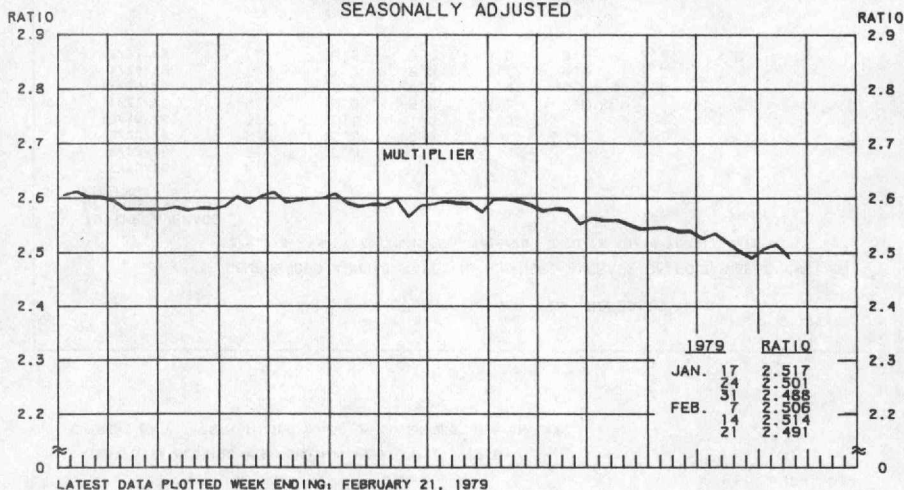
MONETARY BASE

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

	3/1/78	5/31/78	7/26/78	8/30/78	9/27/78	10/25/78	11/29/78	12/27/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/26/78	8.4							
8/30/78	8.0	8.9						
9/27/78	8.6	9.8	9.2					
10/25/78	9.2	10.6	10.6	13.4				
11/29/78	8.8	9.7	9.3	10.5	9.5			
12/27/78	8.6	9.3	8.8	9.6	8.6	6.3		
1/31/79	8.4	8.9	8.4	9.0	8.1	6.5	6.7	
2/28/79	8.1	8.5	7.9	8.3	7.5	6.1	6.1	5.8

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

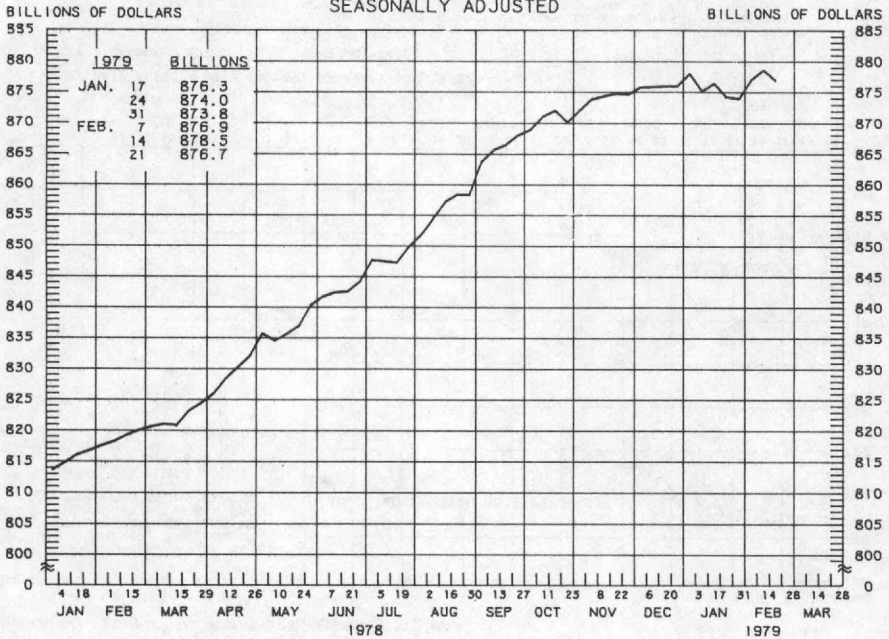


1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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: FEBRUARY 21, 1979

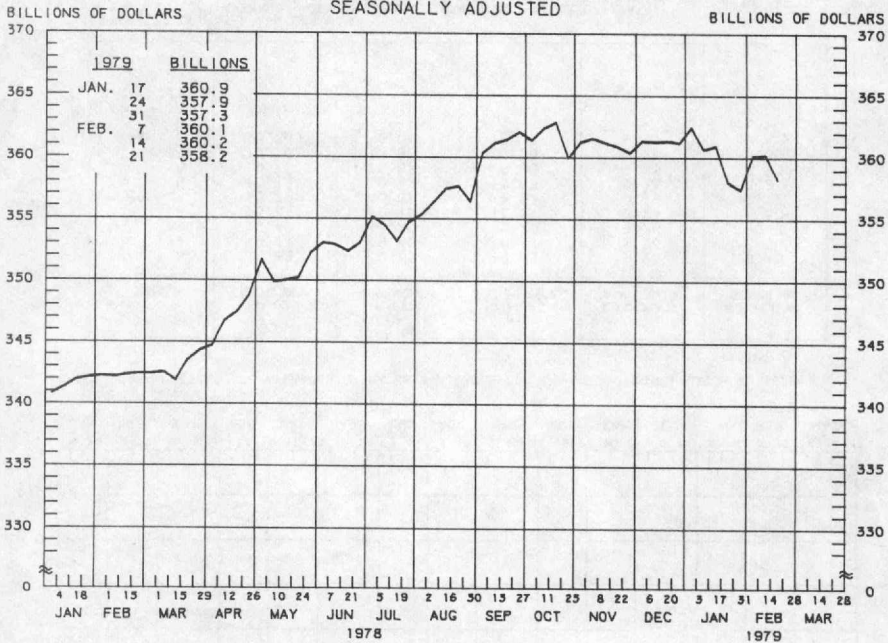
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	2/22/78	5/24/78	7/19/78	8/23/78	9/20/78	10/18/78	11/22/78	12/20/78
7/19/78	8.6							
8/23/78	9.2	9.8						
9/20/78	9.7	10.6	12.2					
10/18/78	9.7	10.5	11.5	11.5				
11/22/78	9.1	9.3	9.6	8.8	7.0			
12/20/78	8.4	8.4	8.3	7.4	5.7	3.8		
1/24/79	7.6	7.2	6.8	5.7	4.2	2.5	1.4	
2/21/79	7.1	6.6	6.0	5.0	3.6	2.2	1.3	0.7

MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 21, 1979

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:
 2/22/78 5/24/78 7/19/78 8/23/78 9/20/78 10/18/78 11/22/78 12/20/78

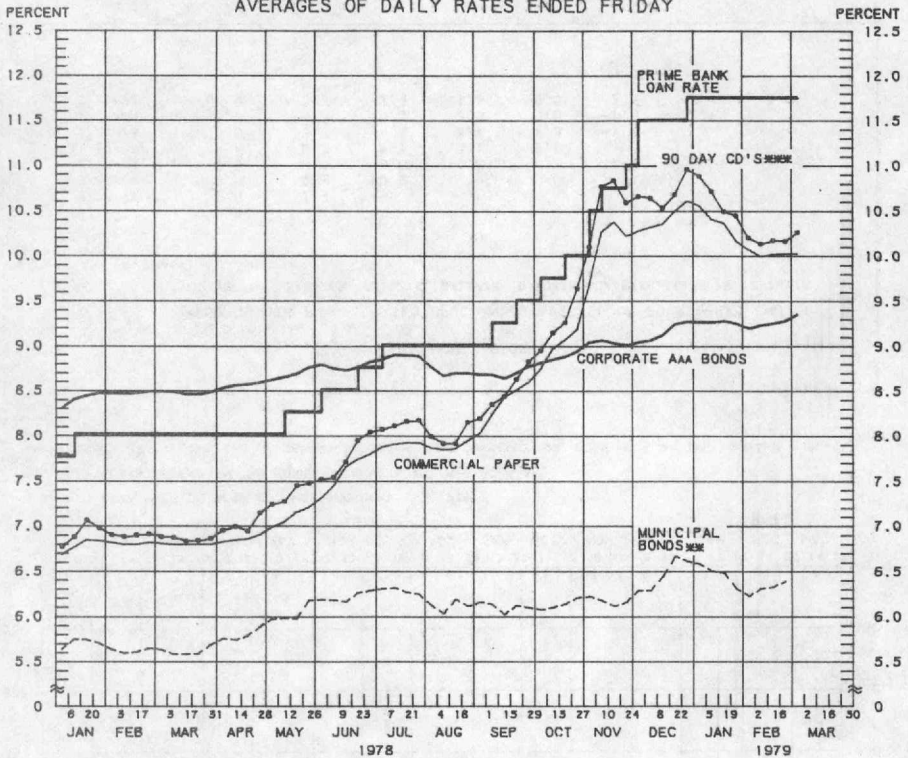
TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

7/19/78	8.6								
8/23/78	8.6	7.4							
9/20/78	9.0	8.4	10.0						
10/18/78	9.0	8.5	9.6	10.3					
11/22/78	7.4	6.3	6.1	5.1	2.3				
12/20/78	6.6	5.3	4.8	3.7	1.3	-1.7			
1/24/79	5.8	4.3	3.6	2.5	0.6	-1.6	-1.1		
2/21/79	4.9	3.3	2.4	1.3	-0.5	-2.5	-2.4	-3.2	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



1979	90 DAY CD'S ^{***}	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ^{***}
JAN. 5	10.88	10.55	10.65	9.26	6.58
12	10.71	10.40	10.41	9.26	6.50
19	10.49	10.36	10.29	9.28	6.48
26	10.44	10.16	10.11	9.24	6.30
FEB. 2	10.20	10.07	9.92	9.19	6.22
9	10.13	9.99	10.03	9.23	6.31
16	10.17	10.02	9.96	9.25	6.33
23	10.16	10.03	10.06	9.28	6.39
MAR. 2 *	10.26	10.03	10.07	9.35	N.A.
9					
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

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

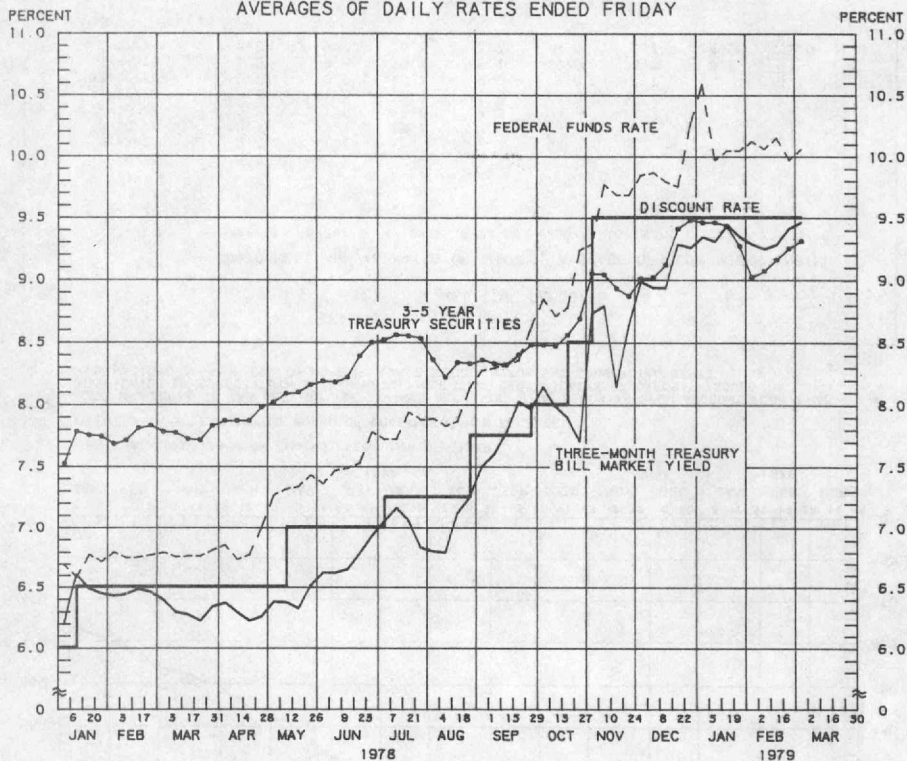
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS

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

N.A. - NOT AVAILABLE

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: MARCH 2, 1979

1979	FEDERAL FUNDS %*	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %**	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
JAN. 5	10.59	9.34	9.55	9.61	9.46	8.96
12	9.97	9.30	9.44	9.61	9.46	8.97
19	10.05	9.44	9.53	9.61	9.43	8.97
26	10.05	9.34	9.48	9.46	9.27	8.89
FEB. 2	10.12	9.28	9.38	9.31	9.02	8.81
9	10.06	9.24	9.31	9.34	9.07	8.90
16	10.15	9.28	9.34	9.35	9.16	8.96
23	9.97	9.41	9.37	9.49	9.25	9.00
MAR. 2 * †	10.06	9.46	9.50	9.51	9.31	9.03
9						
16						
23						
30						

* AVERAGES OF RATES AVAILABLE.

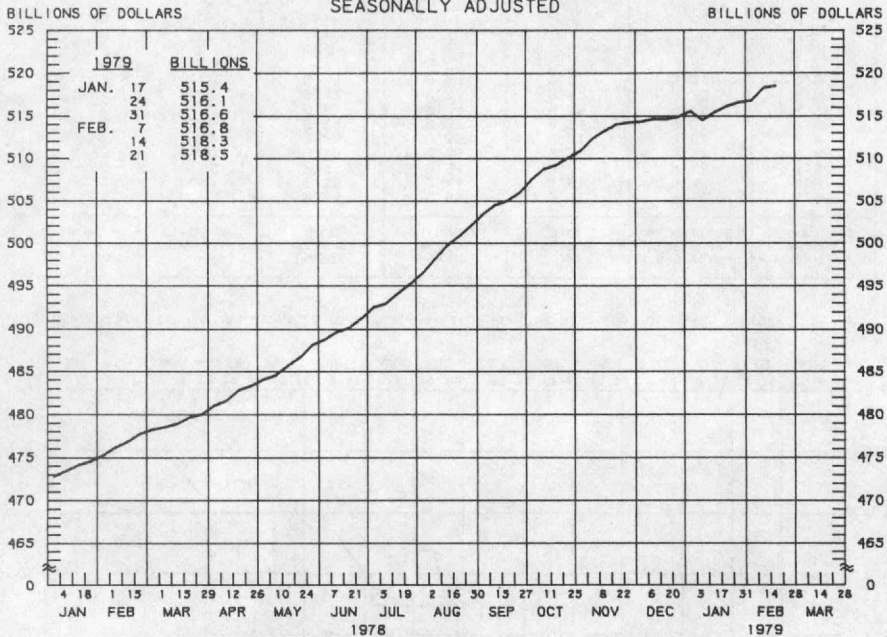
** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

† 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: FEBRUARY 21, 1979

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

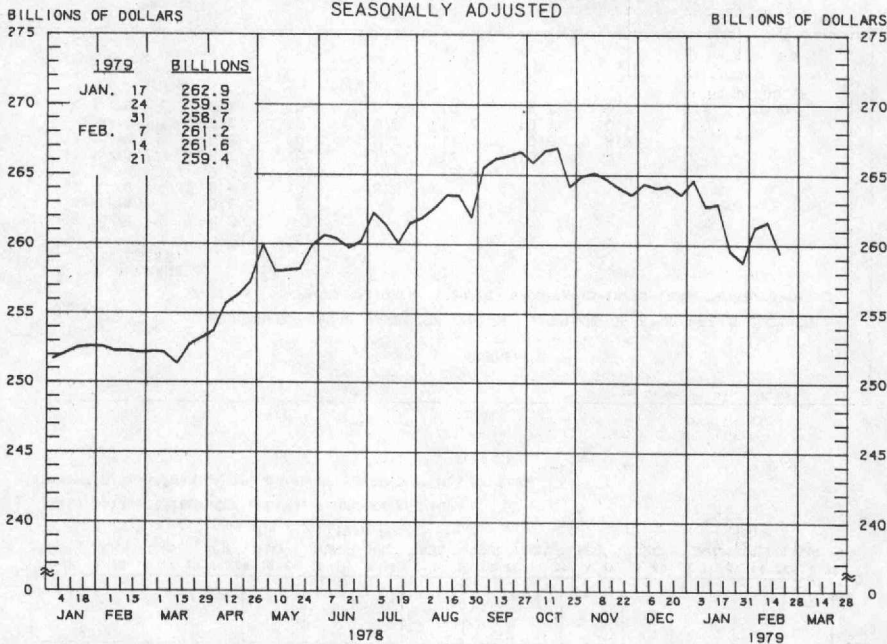
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	2/22/78	5/24/78	7/19/78	8/23/78	9/20/78	10/18/78	11/22/78	12/20/78
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/19/78	8.6							
8/23/78	9.5	11.6						
9/20/78	10.1	12.1	13.6					
10/18/78	10.2	11.9	12.8	12.5				
11/22/78	10.2	11.6	12.1	11.6	10.6			
12/20/78	9.7	10.7	10.7	9.9	8.8	7.7		
1/24/79	8.9	9.4	9.1	8.1	6.9	5.7	3.2	
2/21/79	8.6	9.0	8.6	7.7	6.6	5.7	4.0	3.6

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: FEBRUARY 21, 1979

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

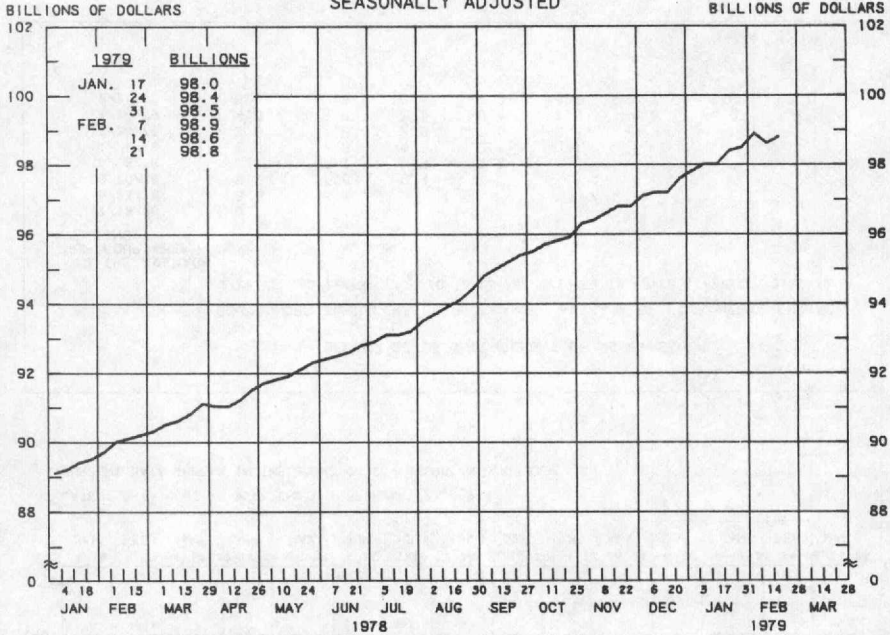
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	2/22/78	5/24/78	7/19/78	8/23/78	9/20/78	10/18/78	11/22/78	12/20/78
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8/23/78	8.6	6.8						
9/20/78	8.9	7.8	9.4					
10/18/78	8.7	7.7	8.9	9.2				
11/22/78	6.6	4.8	4.3	2.8	-0.7			
12/20/78	5.6	3.6	2.8	1.3	-1.5	-5.3		
1/24/79	4.3	2.2	1.1	-0.4	-2.8	-5.6	-4.9	
2/21/79	3.1	0.8	-0.4	-2.0	-4.2	-6.7	-6.6	-8.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CURRENCY COMPONENT OF MONEY STOCK AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

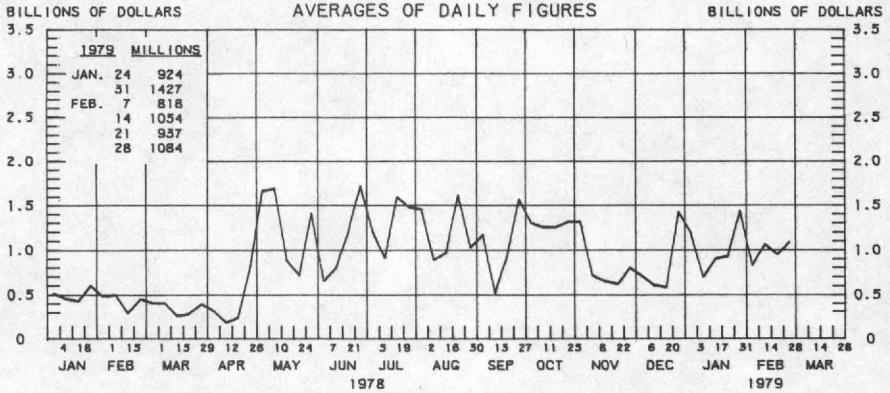


LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 21, 1979
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

CURRENCY									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	2/22/78	5/24/78	7/19/78	8/23/78	9/20/78	10/18/78	11/22/78	12/20/78	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
7/19/78	8.5								
8/23/78	8.6	8.5							
9/20/78	9.6	10.3	12.4						
10/18/78	9.7	10.3	11.7	13.2					
11/22/78	9.7	10.3	11.3	12.0	10.1				
12/20/78	9.6	10.0	10.7	11.2	9.6	9.4			
1/24/79	9.8	10.2	10.8	11.2	10.1	10.1	10.0		
2/21/79	9.7	10.0	10.5	10.7	9.7	9.7	9.4	9.9	

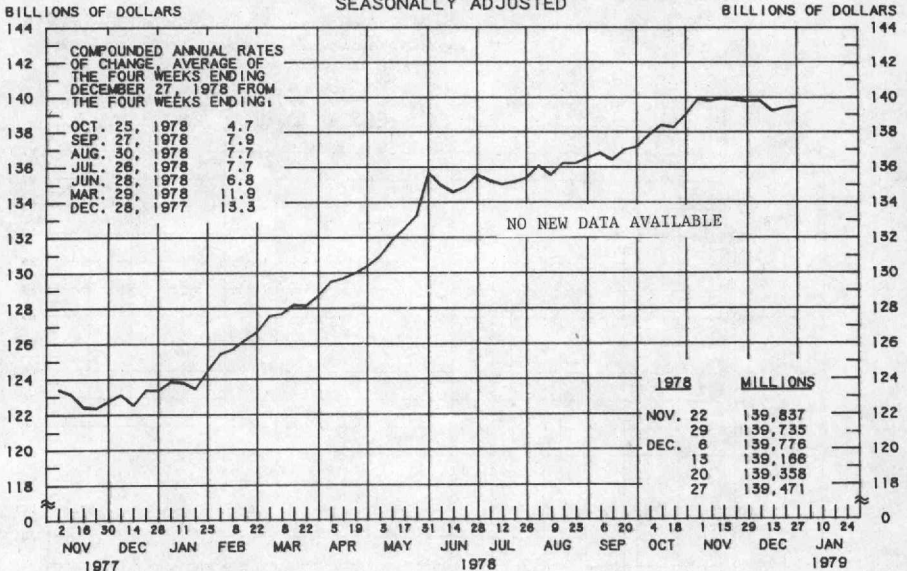
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 28, 1979

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



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 27, 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: FEBRUARY 21, 1979

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