



# U.S. FINANCIAL DATA

Week ending: March 14, 1979

**LIBRARY** Federal regulators, in a joint action, have amended the regulations under which financial institutions may offer six-month money market time deposits (MMTDs). The regulations became effective March 15 for all financial institutions except credit unions, which have had their effective date postponed to March 30. The changes prohibit the compounding of interest on newly-issued MMTDs by savings banks, savings and loan associations, credit unions (together referred to as thrift institutions), and insured commercial banks. The changes also eliminate the 25-basis-point differential on MMTDs between thrift institutions and commercial banks when the auction rate on six-month Treasury bills (to which the rate on MMTDs is tied) is 9 percent or more. Previously, thrift institutions had been able to pay 25 basis points more than commercial banks on MMTDs. Under the new rules, thrifts are able to pay the full differential only when the auction rate on six-month Treasury bills is 8.75 percent or less. When the auction rate on six-month Treasury bills is between 8.75 and 9 percent, thrifts may pay up to 9 percent on the deposits. (See examples in table below.)

This action reduces the effective annual yield on MMTDs by as much as 75 basis points over what could have been offered otherwise. Consider an example based on an auction rate of 9.42 percent on six-month Treasury bills (the rate in effect for the week ending March 9). Commercial banks paying this rate on MMTDs and compounding interest daily were able to offer an effective yield of 9.88 percent on an annual basis. Thrift institutions were able to offer 25 basis points more than the Treasury bill rate, or 9.67 percent, which, with daily compounding, raised the effective yield to 10.15 percent. In this example, the new rules would limit both commercial banks and thrifts to an interest rate of 9.42 percent, 73 basis points less than the highest rate possible at thrifts under the previous rules.

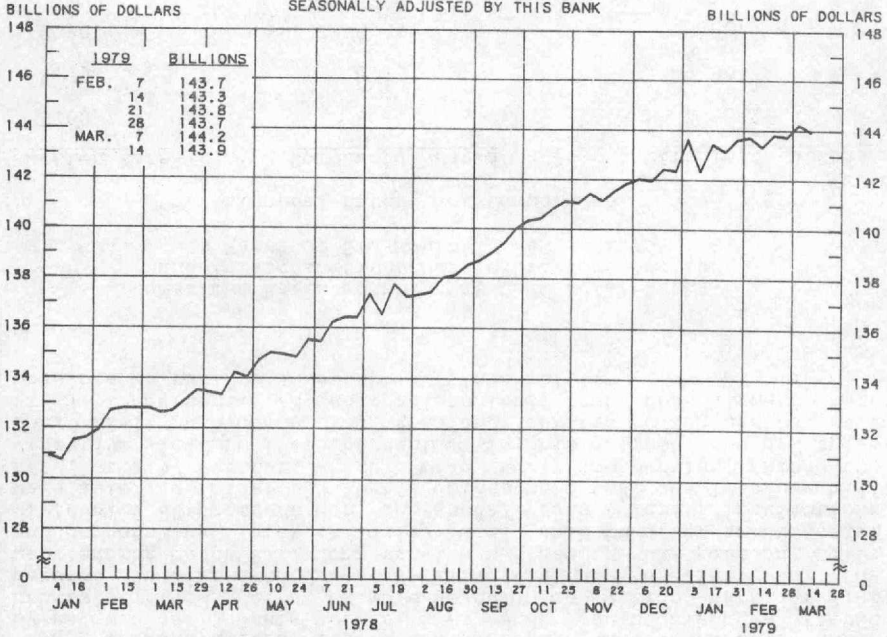
Maximum Rates on MMTDs at Commercial Banks  
and Thrift Institutions for Various Auction  
Rates of Six-Month Treasury Bills

(Annual Rates; Not Compounded)

<u>Auction Rate</u>	<u>Commercial Banks</u>	<u>Thrift Institutions</u>
8.60 %	8.60 %	8.85 %
8.75	8.75	9.00
8.90	8.90	9.00
9.00	9.00	9.00
9.15	9.15	9.15

Prepared by Federal Reserve Bank of St. Louis  
Released: March 16, 1979

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 14, 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

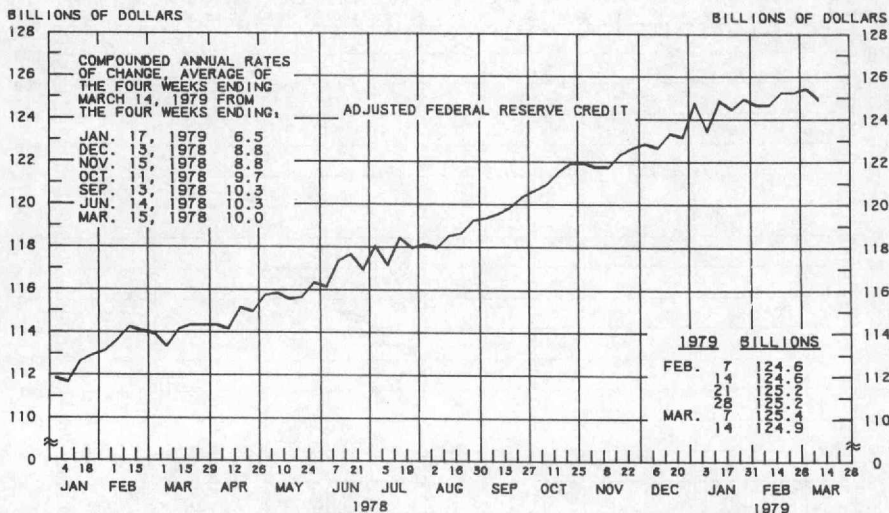
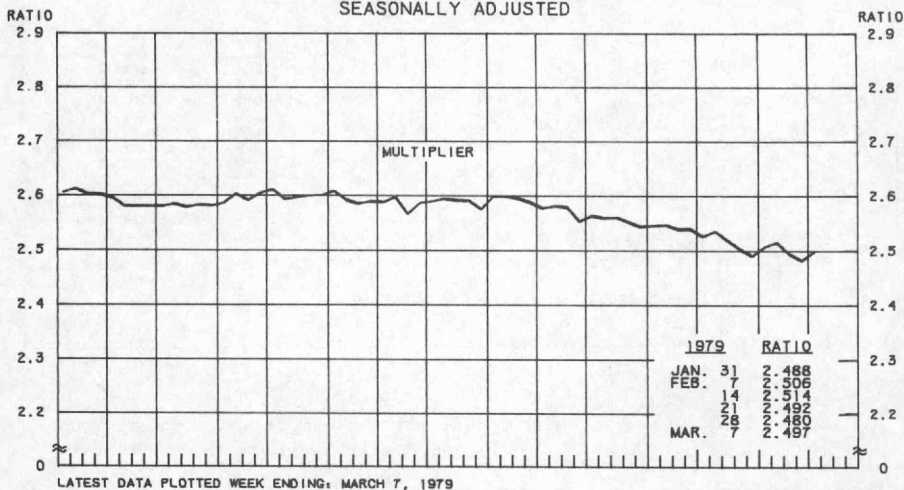
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:  
 3/15/78 6/14/78 8/16/78 9/13/78 10/11/78 11/15/78 12/13/78 1/17/79

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

8/16/78	8.8							
9/13/78	9.1	9.5						
10/11/78	9.7	10.5	12.4					
11/15/78	9.7	10.2	11.2	11.3				
12/13/78	9.2	9.5	9.9	9.6	7.7			
1/17/79	9.1	9.3	9.5	9.2	7.9	7.2		
2/14/79	8.8	8.8	8.8	8.4	7.2	6.4	6.7	
3/14/79	8.4	8.3	8.2	7.8	6.7	6.0	6.1	4.6

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



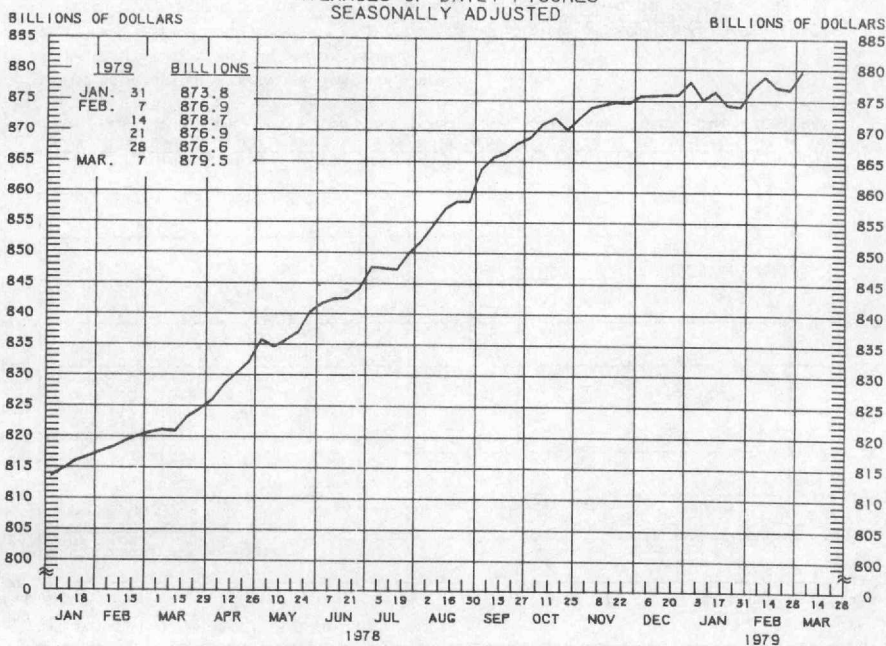
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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: MARCH 7, 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:

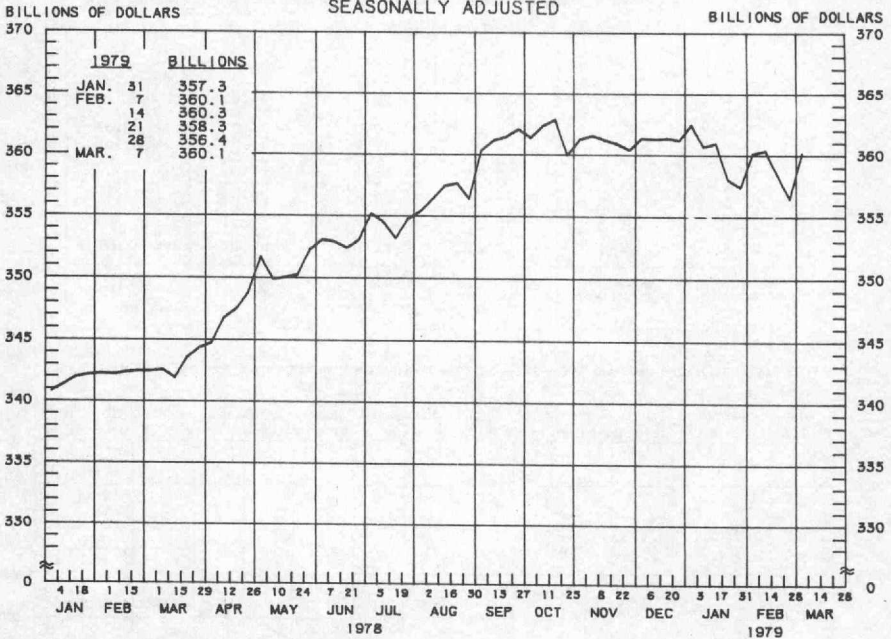
TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

	3/8/78	6/7/78	8/9/78	9/6/78	10/4/78	11/8/78	12/6/78	1/10/79
8/ 9/78	9.0							
9/ 6/78	9.8	10.3						
10/ 4/78	10.1	10.8	13.2					
11/ 8/78	9.5	9.7	10.3	8.8				
12/ 6/78	9.0	8.8	8.9	7.4	5.2			
1/10/79	8.1	7.6	7.2	5.8	3.9	2.8		
2/ 7/79	7.3	6.6	5.8	4.4	2.7	1.5	0.3	
3/ 7/79	7.0	6.3	5.6	4.4	2.9	2.1	1.4	1.3

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# MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 7, 1979

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

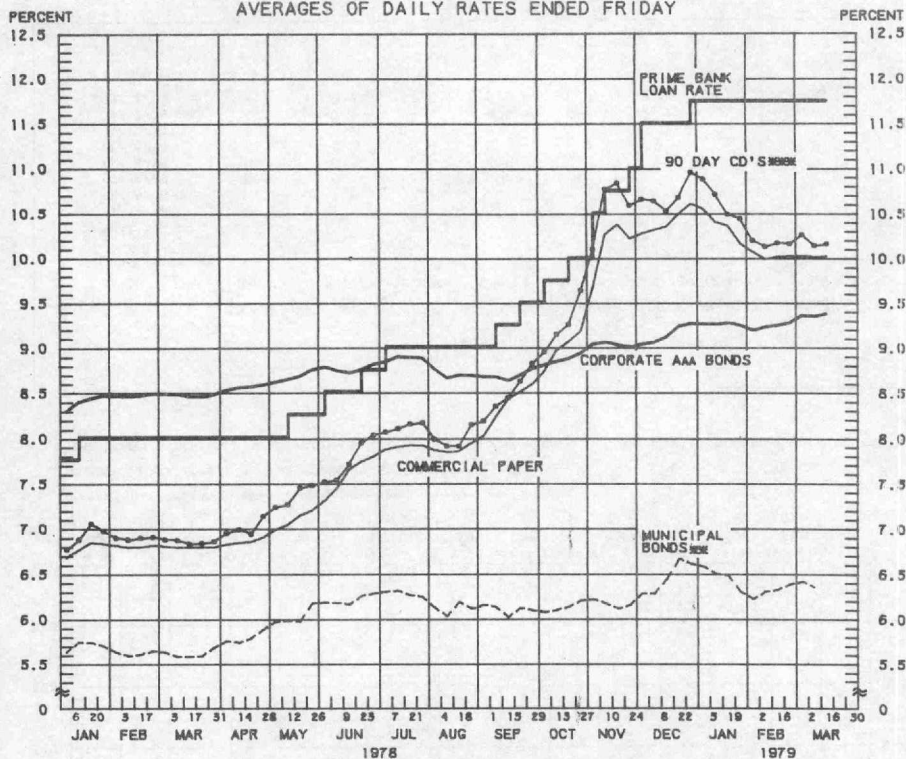
THE MONEY STOCK CONSISTS OF DEMAND DEPOSITS PLUS CURRENCY AND COIN HELD BY THE NONBANK PUBLIC.

MONEY STOCK (M1)									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	3/8/78	6/7/78	8/9/78	9/6/78	10/4/78	11/8/78	12/6/78	1/10/79	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
8/ 9/78	8.8								
9/ 6/78	9.3	7.6							
10/ 4/78	9.9	9.1	12.7						
11/ 8/78	8.4	6.9	7.5	5.8					
12/ 6/78	7.3	5.5	5.3	3.4	-1.0				
1/10/79	6.6	4.8	4.4	2.9	-0.1	0.0			
2/ 7/79	5.3	3.3	2.4	0.8	-1.9	-2.5	-2.8		
3/ 7/79	4.8	2.8	1.9	0.5	-1.8	-2.2	-2.3	-4.6	

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: MARCH 16, 1979

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
FEB.	26	10.44	10.16	10.11	9.24	6.30
	2	10.20	10.07	9.92	9.19	6.22
	9	10.13	9.99	10.03	9.23	6.31
MAR.	16	10.17	10.02	9.96	9.25	6.33
	23	10.18	10.03	10.06	9.28	6.39
	2	10.26	10.03	10.03	9.36	6.42
	9	10.14	10.01	9.97	9.35	6.35
	16 *	10.16	10.03	10.00	9.38	N.A.
	23					
	30					

\* AVERAGES OF RATES AVAILABLE.

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

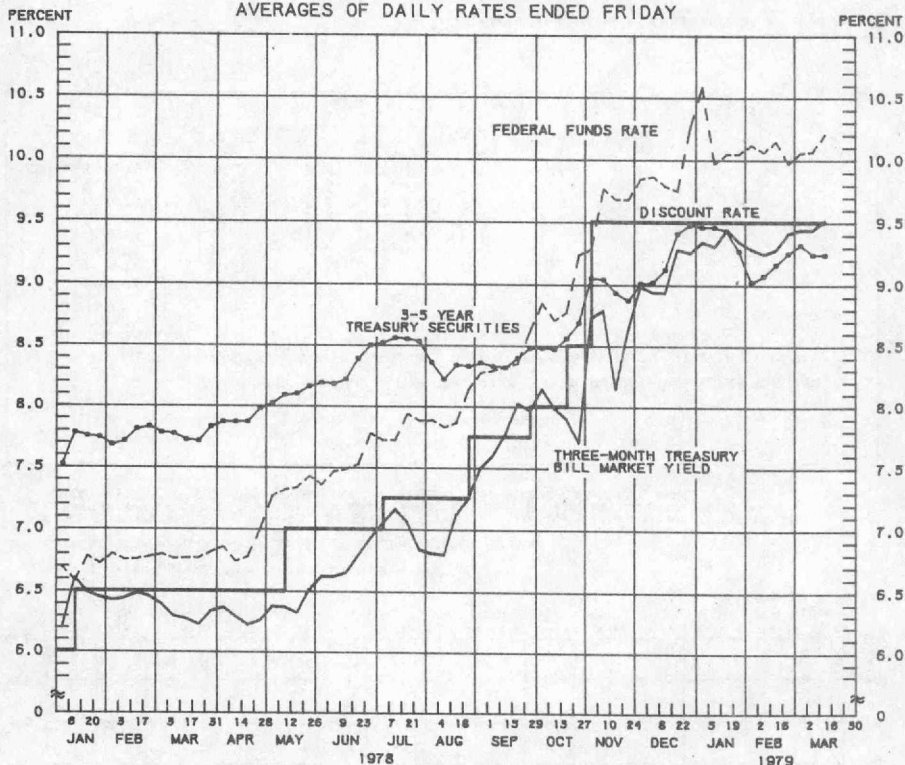
‡ SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.S. RELEASE.

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 16, 1979

1979	FEDERAL FUNDS RATE	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
FEB. 26	10.05	9.34	9.48	9.46	9.27	8.89
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	10.13	9.28	9.34	9.35	9.16	8.96
MAR. 23	9.97	9.41	9.37	9.49	9.25	9.00
2	10.06	9.44	9.50	9.50	9.32	9.03
9	10.07	9.44	9.42	9.40	9.24	8.98
16 *	10.21	9.51	9.46	9.43	9.24	8.98
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.

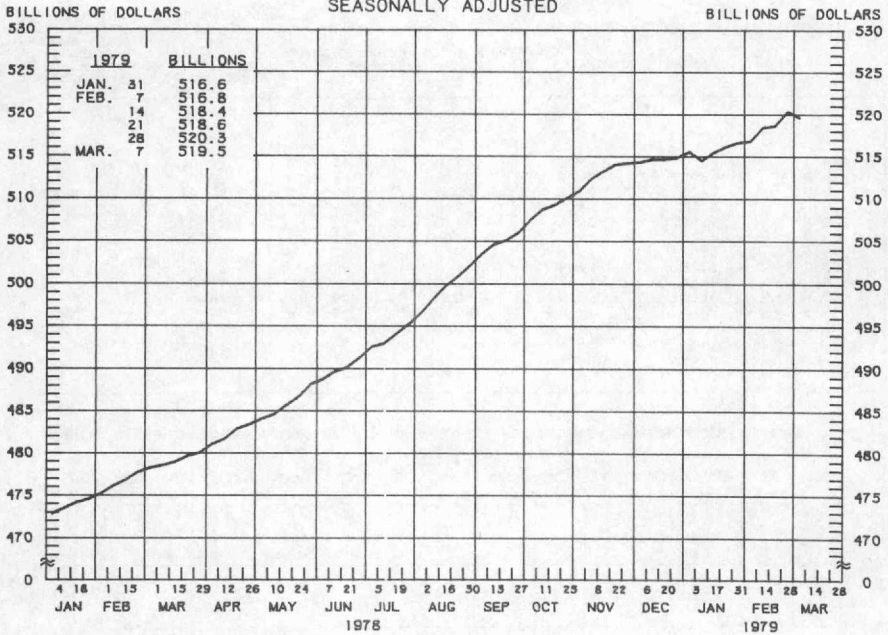
\*\*\*\* NEW ISSUE RATE

\*\*\*\*\* 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: MARCH 7, 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:

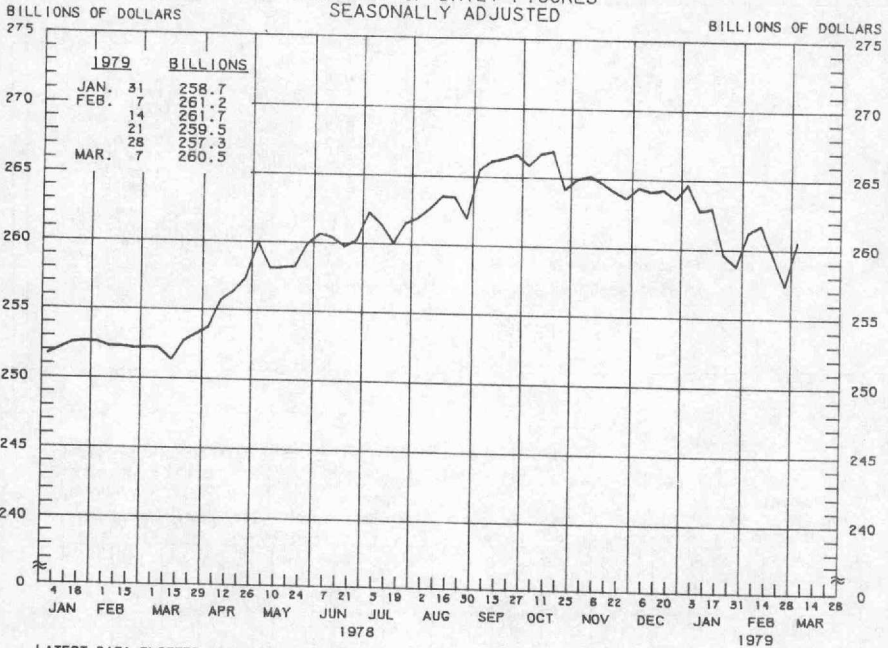
	3/8/78	6/7/78	8/9/78	9/6/78	10/4/78	11/8/78	12/6/78	1/10/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 9/78	9.2							
9/ 6/78	10.1	12.1						
10/ 4/78	10.3	12.0	13.6					
11/ 8/78	10.4	11.7	12.4	11.1				
12/ 6/78	10.2	11.2	11.5	10.4	9.7			
1/10/79	9.2	9.6	9.2	7.9	6.8	4.8		
2/ 7/79	8.7	8.9	8.4	7.1	6.1	4.5	2.6	
3/ 7/79	8.7	8.8	8.3	7.2	6.4	5.2	4.2	5.7

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: MARCH 7, 1979  
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

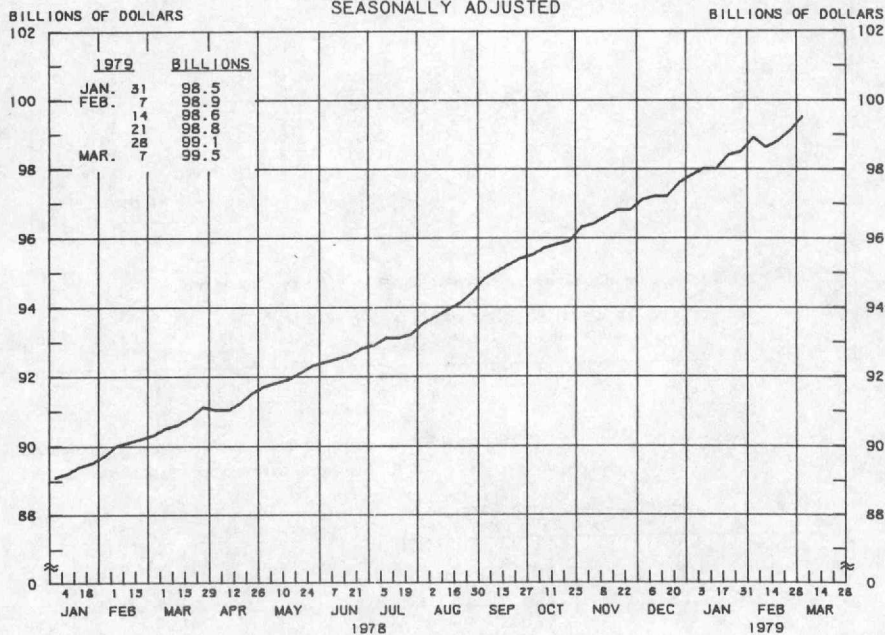
## DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	3/8/78	6/7/78	8/9/78	9/6/78	10/4/78	11/8/78	12/6/78	1/10/79
8/ 9/78	8.9							
9/ 6/78	9.2	7.0						
10/ 4/78	9.8	8.5	12.3					
11/ 8/78	7.8	5.7	5.9	3.8				
12/ 6/78	6.3	3.8	3.1	0.8	-4.5			
1/10/79	5.5	3.0	2.1	0.2	-3.3	-3.2		
2/ 7/79	3.6	0.8	-0.7	-2.7	-6.0	-6.9	-7.4	
3/ 7/79	3.0	0.3	-1.1	-2.9	-5.6	-6.2	-6.4	-9.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

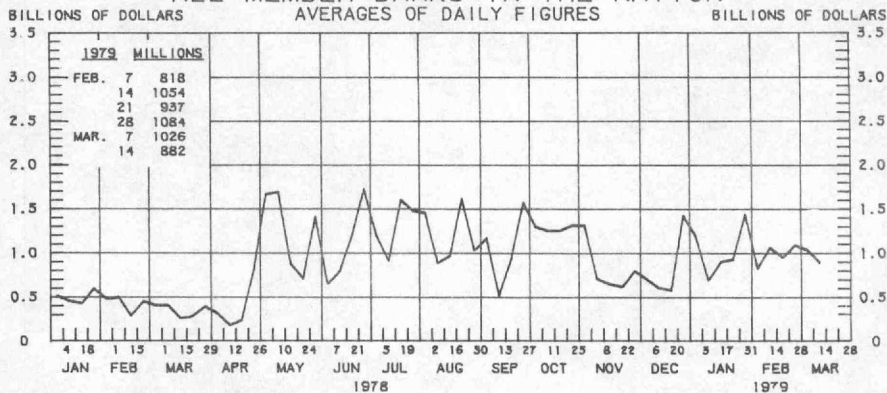


CURRENCY

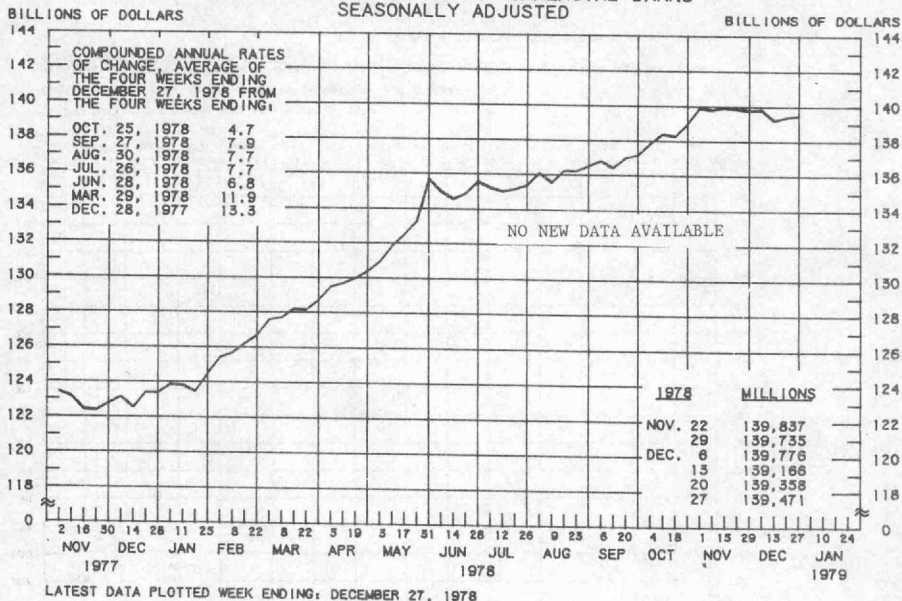
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	3/8/78	6/7/78	8/9/78	9/6/78	10/4/78	11/8/78	12/6/78	1/10/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 9/78	8.3							
9/ 6/78	9.1	9.4						
10/ 4/78	9.8	10.6	14.0					
11/ 8/78	9.7	10.3	12.1	11.5				
12/ 6/78	9.7	10.2	11.6	11.0	9.4			
1/10/79	9.8	10.2	11.2	10.8	9.7	10.0		
2/ 7/79	9.9	10.3	11.2	10.8	10.0	10.4	10.6	
3/ 7/79	9.6	10.0	10.6	10.2	9.4	9.5	9.4	9.0

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

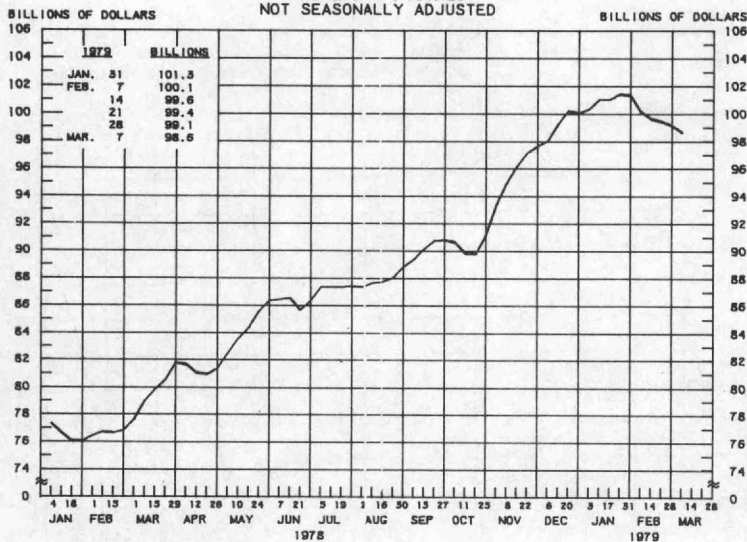


## BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

**CERTIFICATES OF DEPOSIT  
LARGE COMMERCIAL BANKS**  
WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 7, 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