

Week ending: March 21, 1979

On March 15, 1979, the Board of Governors of the Federal Reserve began publishing a "monetary base" series. This new series differs from the series published by this Bank primarily in that it is not adjusted for the effects of changes in required reserve ratios. Since changes in either measure of the base are influenced predominantly by actions of the Federal Reserve System, such as open market operations and lending to member banks, the base is a useful summary measure of the net effect of Federal Reserve actions on the growth of the money stock. The rationale for making an adjustment to the base is that changes in legal reserve requirement ratios are also under the complete control of the Federal Reserve. Therefore, if one is interested in a measure that summarizes the effect of all Federal Reserve actions on the monetary aggregates, one must include these effects in movements of the monetary base. The monetary base series, which this Bank has published since August 1968, includes such an adjustment. To avoid confusion between our series and the new series published by the Board of Governors, the Federal Reserve Bank of St. Louis' monetary base series will hereafter be denoted as "Adjusted Monetary Base".

One instance of the importance of incorporating an adjustment for changes in legal reserve requirement ratios is apparent in the last few months. As shown in the table below, from the beginning of 1978 to October, the growth rate of the "base" is similar using either the FRB St. Louis or Board of Governors (BOG) series. However, from October 1978 to February 1979, the St. Louis series indicates a deceleration in base growth to a 6.5 percent rate. In sharp contrast, the BOG series shows an acceleration in base growth to a 12.7 percent rate. The difference occurs in the November-December period when the effect of changes in reserve requirement ratios took place. The St. Louis series, which adjusts for the effect of higher reserve requirements, indicates that the base grew at a 7 percent rate during this period. The BOG series, which makes no such adjustment, indicates that the base grew at a 21.8 percent rate during the same period.

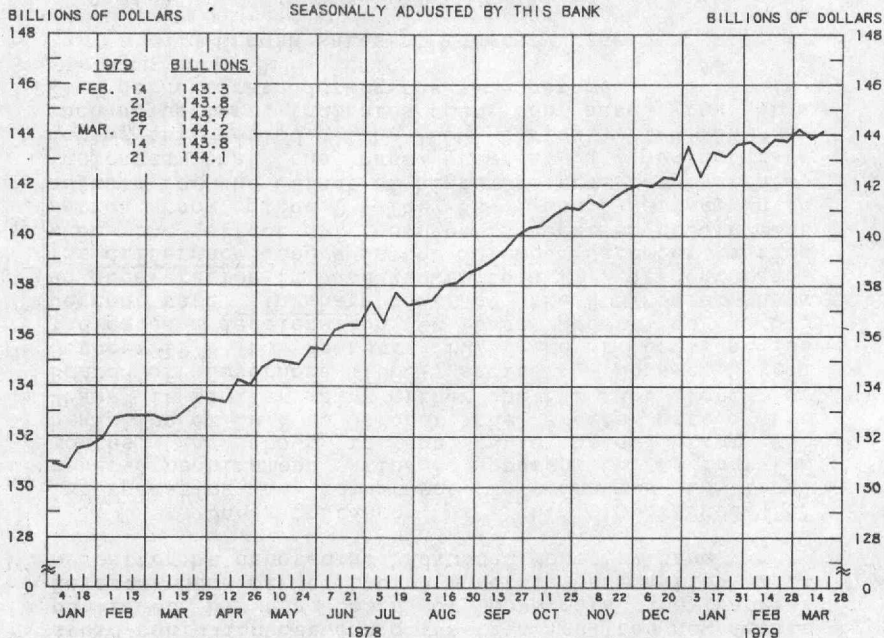
#### Growth Rates of Monetary Base

<u>Period</u>	<u>FRB St. Louis Series</u>	<u>BOG Series</u>
12/77 - 10/78	10.0%	9.5%
10/78 - 2/79	6.5	12.7
10/78 - 12/78	7.0	21.8

Prepared by Federal Reserve Bank of St. Louis  
Released: March 23, 1979

# ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: MARCH 21, 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.

## ADJUSTED MONETARY BASE

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

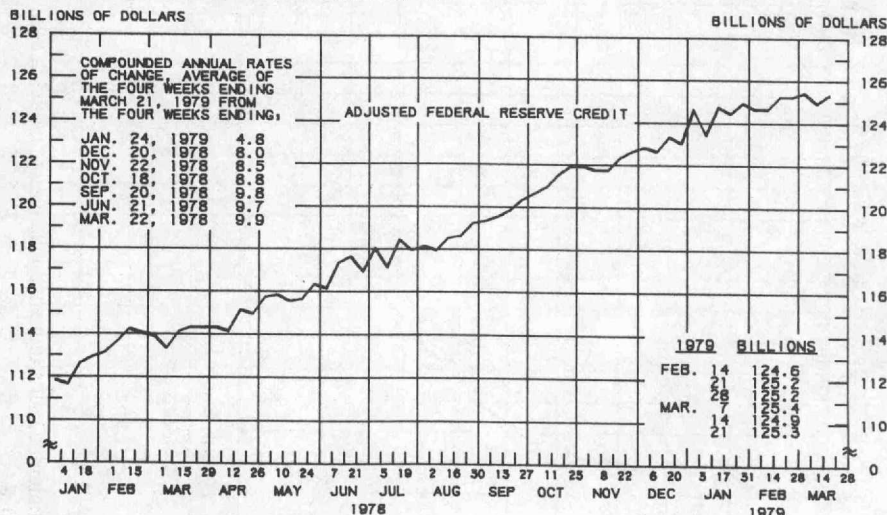
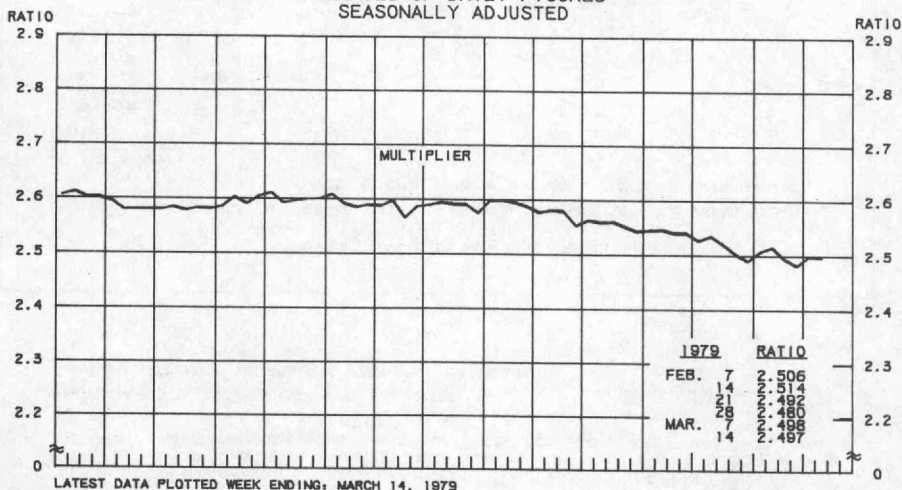
3/22/78 6/21/78 8/23/78 9/20/78 10/18/78 11/22/78 12/20/78 1/24/79

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

8/23/78	8.9						
9/20/78	9.4	9.1					
10/18/78	10.1	10.5	13.5				
11/22/78	9.7	9.6	10.9	10.4			
12/20/78	9.3	9.2	9.9	9.2	6.8		
1/24/79	9.2	9.0	9.5	9.0	7.3	7.6	
2/21/79	8.6	8.5	8.8	8.2	6.7	6.7	6.7
3/21/79	8.4	8.0	8.1	7.5	6.2	6.0	5.8
							4.2

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, MARCH 21, 1979

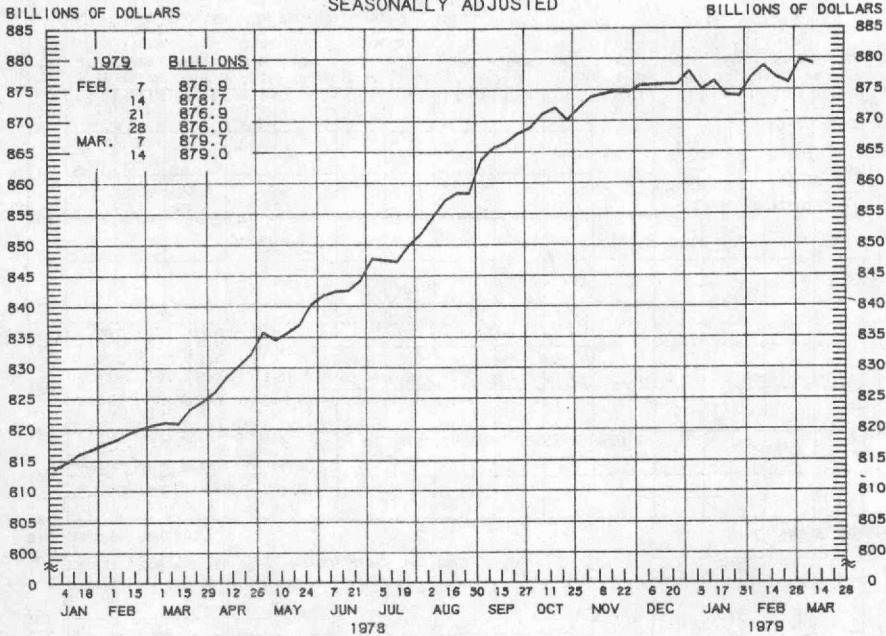
1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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 14, 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:

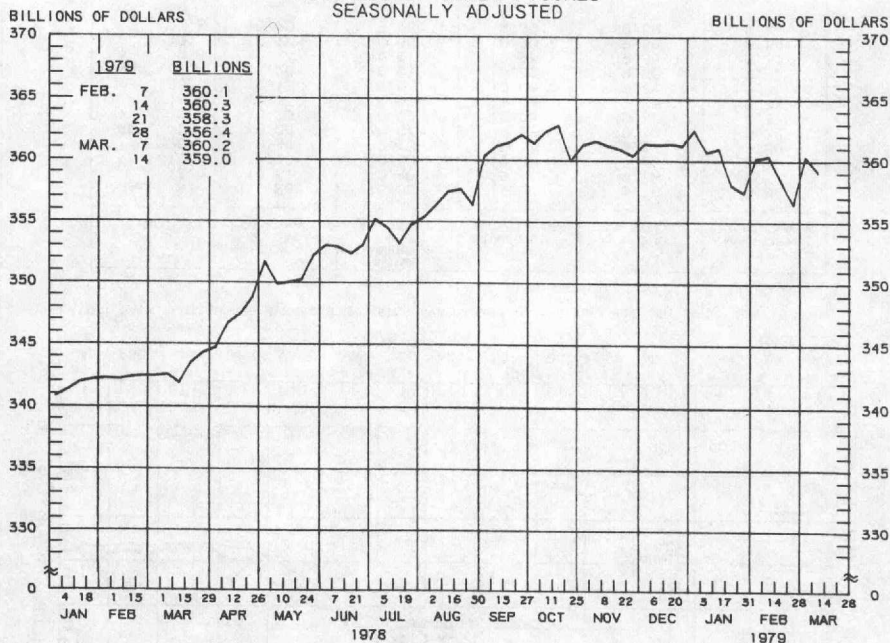
3/15/78 6/14/78 8/16/78 9/13/78 10/11/78 11/15/78 12/13/78 1/17/79

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

8/16/78	9.7						
9/13/78	10.2	10.5					
10/11/78	10.3	10.6	12.2				
11/15/78	9.5	9.3	9.3	7.6			
12/13/78	9.0	8.5	8.1	6.5	4.5		
1/17/79	8.1	7.3	6.5	5.0	3.4	2.5	
2/14/79	7.3	6.4	5.4	4.0	2.5	1.6	0.5
3/14/79	7.0	6.0	5.0	3.8	2.6	1.9	1.2

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# MONEY STOCK (M1) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 14, 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:

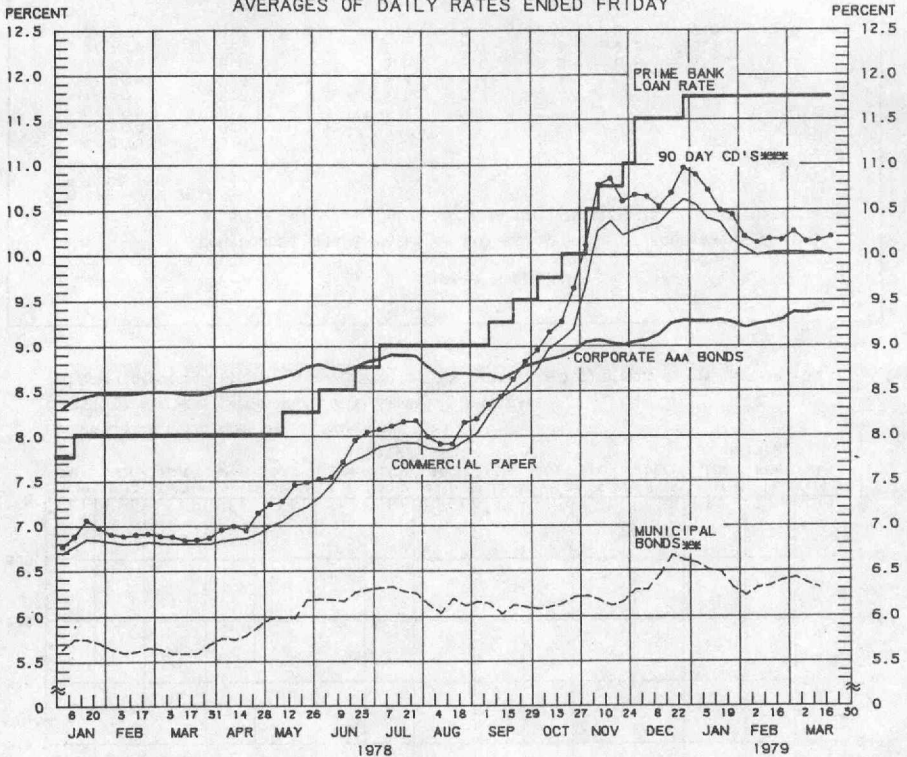
TO THE AVERAGE OF FOUR WEEKS ENDING:	8/16/78	9/13/78	10/11/78	11/15/78	12/13/78	1/17/79
8/16/78	9.6					
9/13/78	9.9	7.8				
10/11/78	10.1	8.7	11.3			
11/15/78	8.2	6.0	5.7	3.4		
12/13/78	7.3	5.1	4.4	2.4	-1.4	
1/17/79	6.6	4.4	3.6	2.0	-0.5	0.6
2/14/79	5.3	2.9	1.7	0.1	-2.3	-2.2
3/14/79	4.7	2.4	1.3	-0.2	-2.1	-2.0
						-3.2
						-2.6
						-4.9

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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: MARCH 23, 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
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	10.03	9.36	6.42
9	10.14	10.01	9.97	9.35	6.35
16	10.16	10.03	10.00	9.38	6.30
23 *	10.20	9.98	9.99	9.38	N.A.
30					

\* AVERAGES OF RATES AVAILABLE.

90 DAY CD'S: BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

COMMERCIAL PAPER: SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS

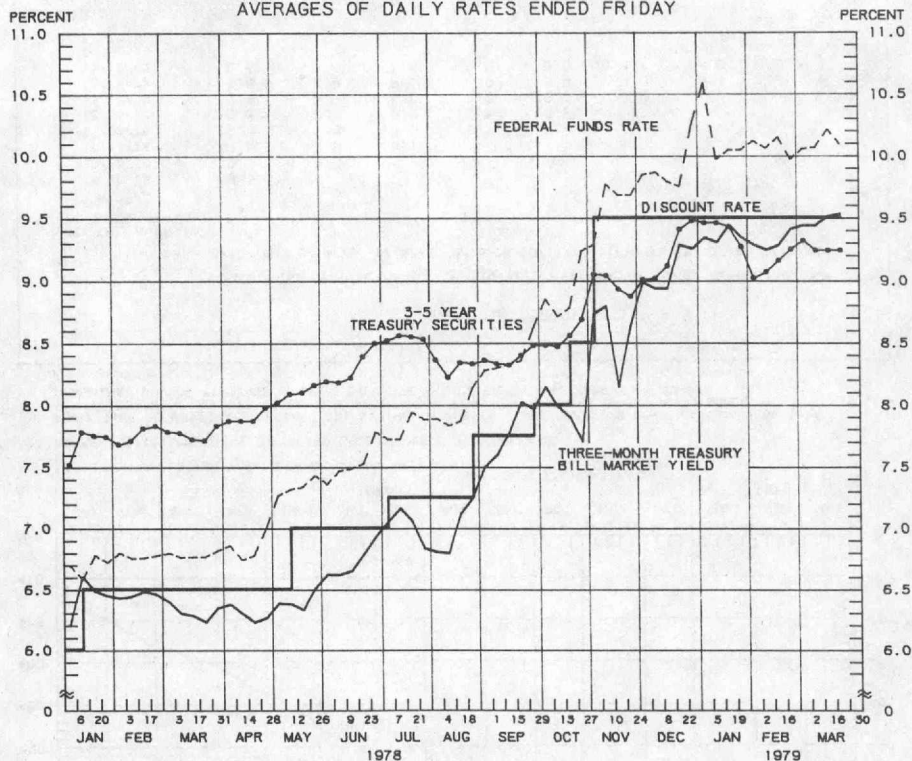
PRIME BANKERS' ACCEPTANCES: EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: MARCH 23, 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
26	10.05	9.34	9.48	9.45	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	9.44	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	8.99
23 *	10.09	9.53	9.48	9.39	9.24	8.99
30						

\* AVERAGES OF RATES AVAILABLE.

\*\* SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

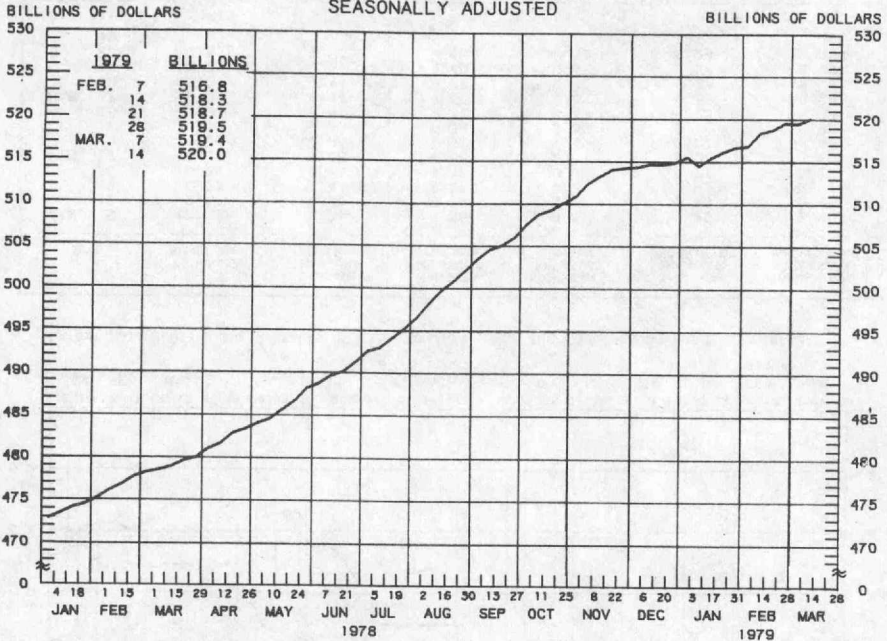
\*\*\* CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

\*\*\*\* 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 14, 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:

	3/15/78	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	9.6							
9/13/78	10.5	12.3						
10/11/78	10.6	12.0	13.1					
11/15/78	10.5	11.6	12.0	10.7				
12/13/78	10.2	10.9	10.8	9.6	8.9			
1/17/79	9.1	9.3	8.6	7.2	6.1	3.9		
2/14/79	8.8	8.9	8.1	6.9	5.9	4.3	3.1	
3/14/79	8.6	8.6	7.8	6.8	6.0	4.7	4.0	5.7

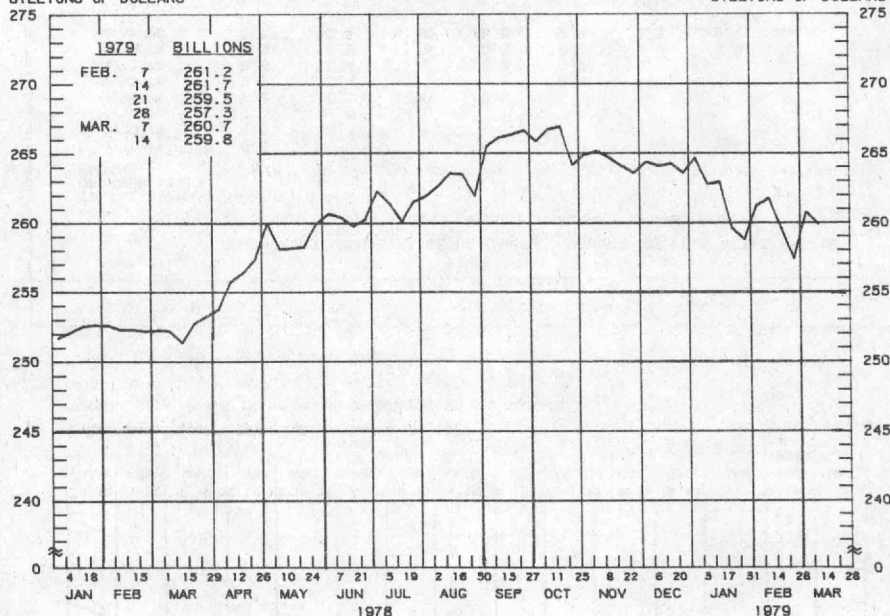


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 14, 1979

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

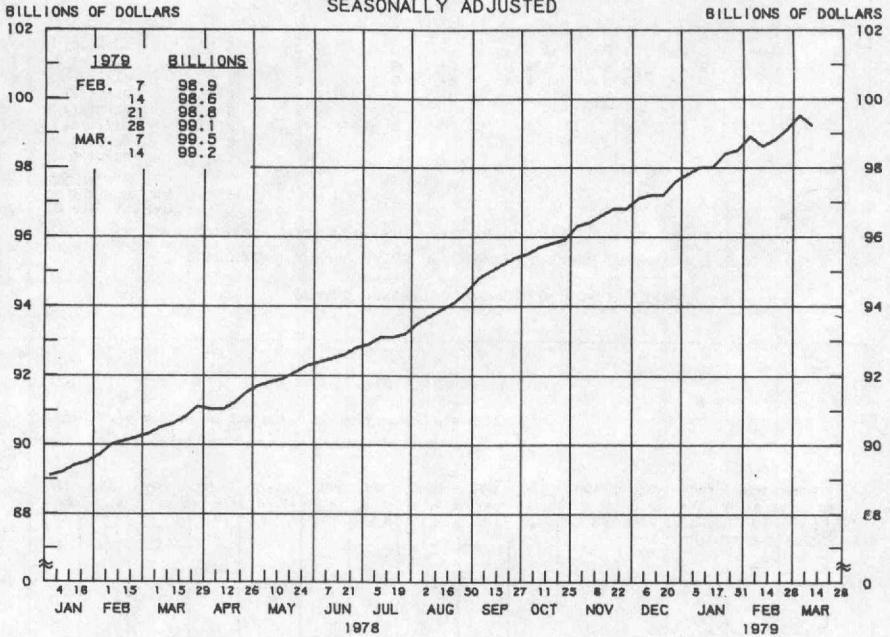
## DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

	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		10.1						
9/13/78		10.0	6.9					
10/11/78		10.2	8.0	10.3				
11/15/78		7.6	4.5	3.6	1.1			
12/13/78		6.5	3.3	1.9	-0.3	-5.1		
1/17/79		5.4	2.3	0.9	-0.9	-4.1	-2.8	
2/14/79		3.6	0.3	-1.6	-3.5	-6.5	-7.8	
3/14/79		2.9	-0.3	-2.0	-3.7	-6.2	-6.1	-9.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 14, 1979

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

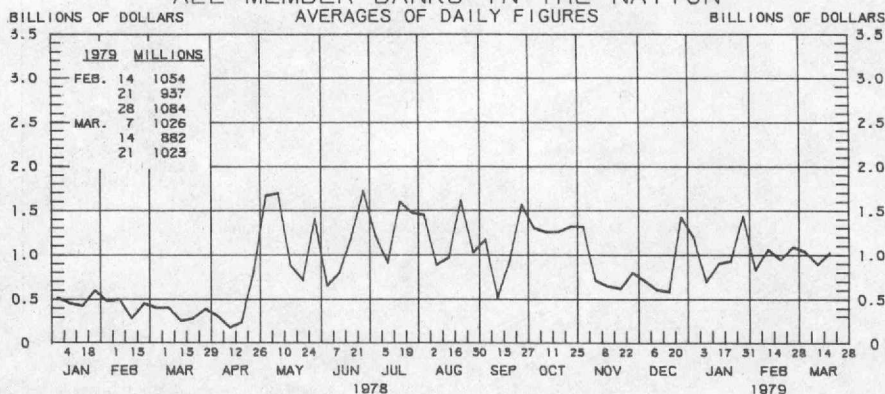
## CURRENCY

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	8.6							
9/13/78	9.5	10.3						
10/11/78	10.0	11.0	14.0					
11/15/78	9.8	10.5	12.0	10.8				
12/13/78	9.9	10.4	11.5	10.5	9.4			
1/17/79	9.9	10.4	11.2	10.4	9.7	10.0		
2/14/79	9.9	10.3	11.0	10.3	9.7	9.9	9.9	
3/14/79	9.7	10.1	10.6	10.0	9.4	9.5	9.4	9.0

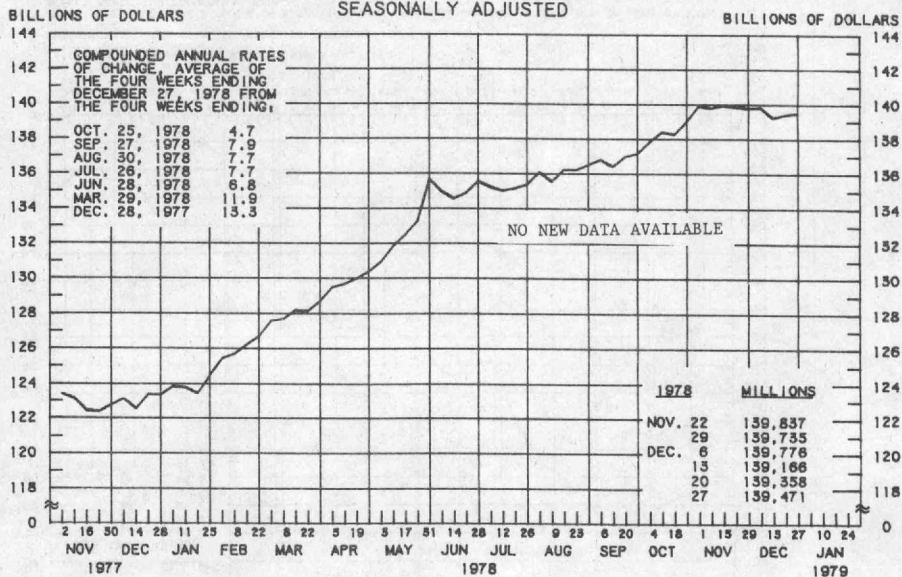
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 21, 1979

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

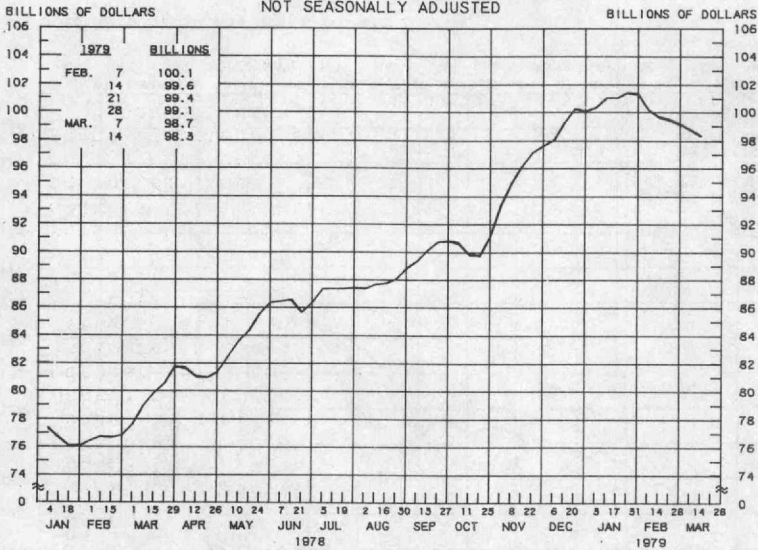


LATEST DATA PLOTTED WEEK ENDING: DECEMBER 27, 1978

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 14, 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