



## U.S. FINANCIAL DATA

Week ending: August 22, 1979

LIBRARY

Both the prime rate and the discount rate were raised in the past week. The prime bank loan rate at most commercial banks was raised to 12 percent, a level which ties the historical peak reached between July 8 and October 8, 1974. The discount rate, the interest rate charged by Federal Reserve Banks for overnight borrowing by its members, was increased to 10.50 percent, also a peak level.

The recent increase in the discount rate is the second increase in four weeks. The 50-basis-point increase narrows the spread between the discount rate and the Federal funds rate, the interest rate on an alternative source of overnight borrowing for member banks, to 54 basis points. In the days just prior to the recent increase in the discount rate, the spread had widened to about 100 basis points, as the Federal funds rate rose to about 11 percent.

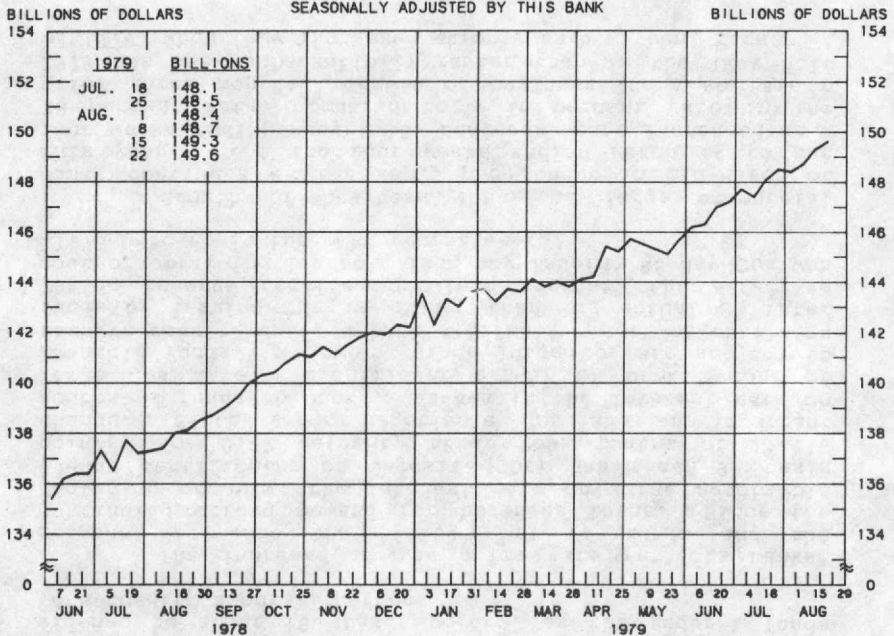
The increase in the prime rate reflects banks' response to both the rising cost of funds and the continuing strong demand for business loans. Since the beginning of July, the interest rate on large negotiable 90-day certificates of deposit (CDs) has risen 97 basis points, to 10.81 percent, after four months of little change. Since large negotiable CDs are an important source of funds to banks, changes in the interest rate on large CDs have a significant effect on banks' cost of loanable funds. Moreover, since large CDs are subject to reserve requirements, a bank's effective cost of obtaining funds by issuing CDs is higher than the actual CD rate. Taking reserve requirements into account, the effective cost of obtaining loanable funds by issuing 90-day CDs was 11.75 percent in the most recent week.

Growth of business loans at large commercial banks continues at the rapid pace begun in mid-March of this year. From the four weeks ending March 14 to the four weeks ending August 15, business loans increased at a 26 percent rate, compared to a 16 percent rate in the prior three months. Growth of business loans so far in 1979 has been substantially faster than in the last half of 1978, when they increased at only an 8 percent rate.

Prepared by Federal Reserve Bank of St. Louis

Released: August 24, 1979

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 1979

THE ADJUSTED MONETARY BASE CONSISTS OF: (1) MEMBER BANK RESERVES AT THE FEDERAL RESERVE BANKS, (2) CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), AND (3) AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED MONETARY BASE IS FEDERAL RESERVE CREDIT. DATA ARE COMPUTED BY THIS BANK. A DETAILED DESCRIPTION OF THE ADJUSTED MONETARY BASE IS AVAILABLE FROM THIS BANK.

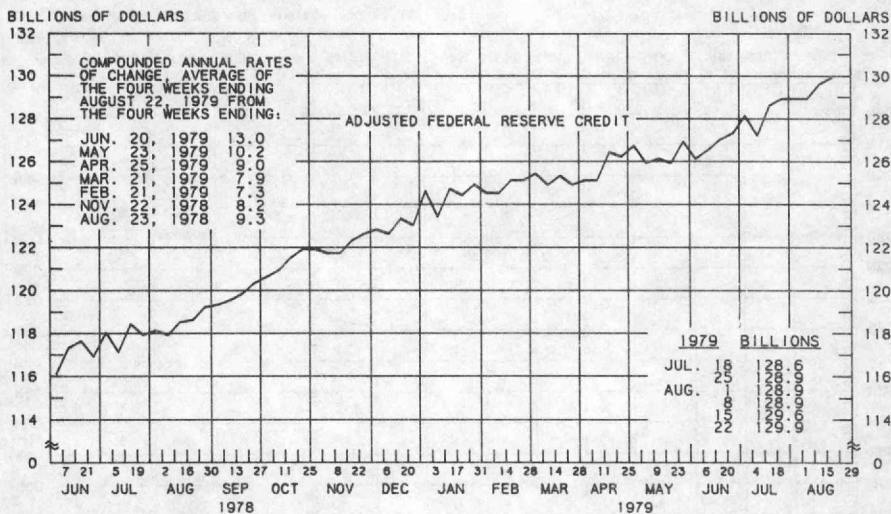
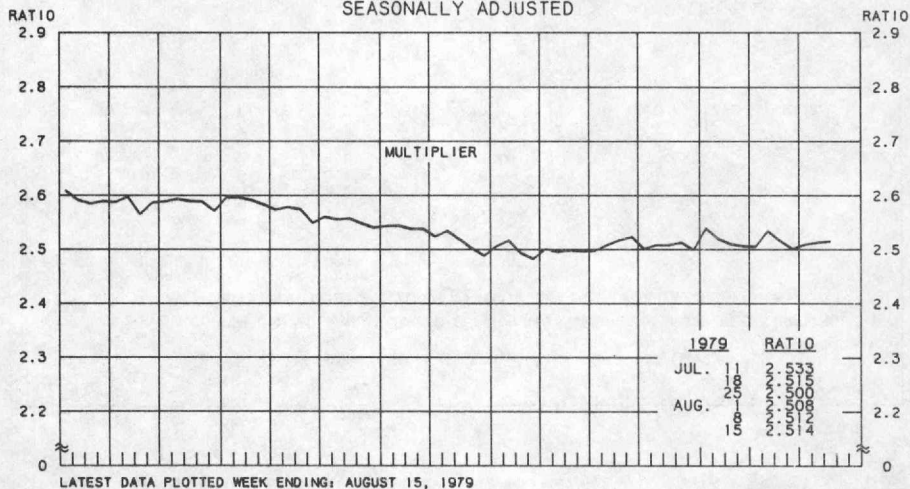
**ADJUSTED MONETARY BASE**

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	8/23/78	11/22/78	1/24/79	2/21/79	3/21/79	4/25/79	5/23/79	6/20/79
1/24/79	9.3							
2/21/79	8.8	6.7						
3/21/79	7.9	5.7	4.2					
4/25/79	7.6	5.8	4.8	4.5				
5/23/79	7.5	5.9	5.2	5.1	6.2			
6/20/79	7.6	6.2	5.8	5.9	6.8	7.4		
7/25/79	8.0	7.0	7.0	7.2	8.2	9.1	10.4	
8/22/79	8.2	7.3	7.4	7.7	8.6	9.4	10.3	11.1

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



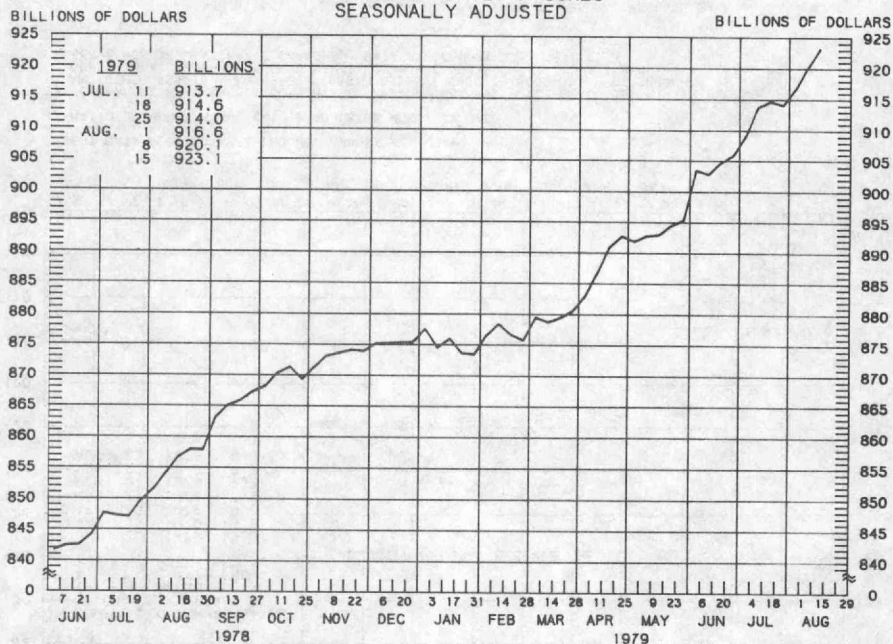
1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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. 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: AUGUST 15, 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:

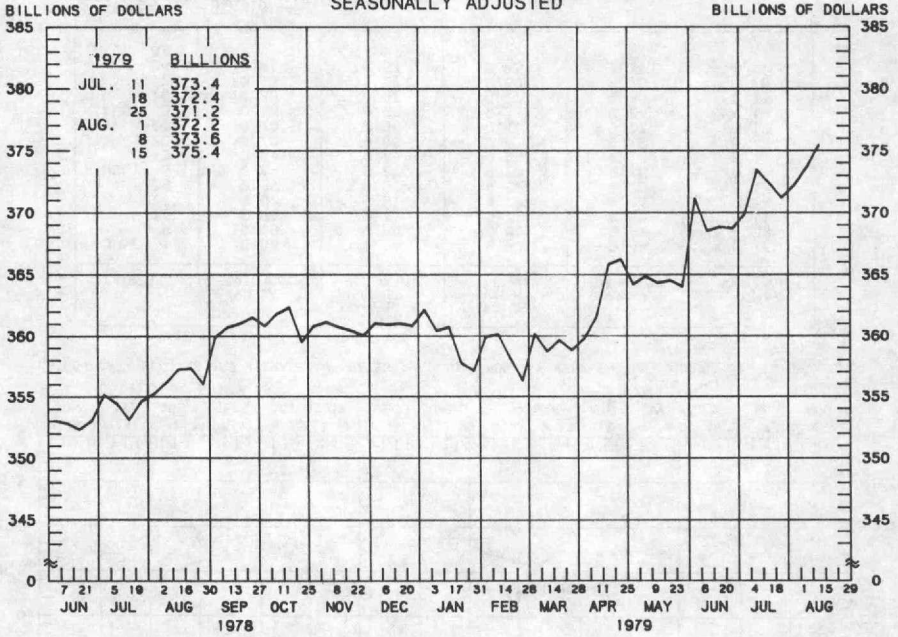
8/16/78 11/15/78 1/17/79 2/14/79 3/14/79 4/18/79 5/16/79 6/13/79

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

1/17/79	6.4							
2/14/79	5.3	1.7						
3/14/79	5.1	2.0	1.3					
4/18/79	5.7	3.7	4.4	6.6				
5/16/79	6.2	4.8	5.9	8.0	10.2			
6/13/79	6.6	5.5	6.7	8.4	10.1	10.6		
7/18/79	7.4	6.7	8.2	9.8	11.3	12.1	12.4	
8/15/79	7.7	7.2	8.6	10.1	11.4	12.0	12.2	13.2

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 15, 1979

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

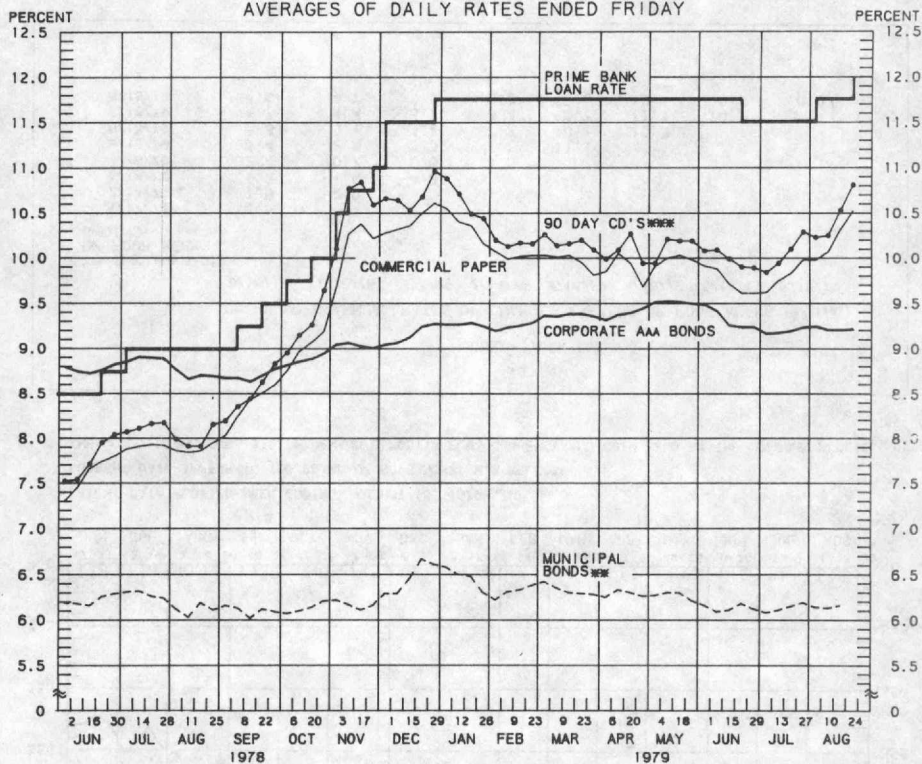
THE MONEY STOCK CONSISTS OF DEMAND DEPOSITS PLUS CURRENCY AND COIN HELD BY THE NONBANK PUBLIC.

MONEY STOCK (M1)									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	8/16/78	11/15/78	1/17/79	2/14/79	3/14/79	4/18/79	5/16/79	6/13/79	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
1/17/79	3.5								
2/14/79	1.6	-2.0							
3/14/79	1.2	-1.9	-4.8						
4/18/79	2.4	0.7	0.6	4.6					
5/16/79	3.4	2.5	3.3	7.1	11.1				
6/13/79	3.8	3.1	4.2	7.2	10.1	10.3			
7/18/79	4.7	4.4	5.7	8.4	10.7	11.1	10.2		
8/15/79	4.9	4.7	5.9	8.2	10.0	10.1	9.3	10.0	

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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: AUGUST 24, 1979

1979	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
JUNE 1	10.08	9.91	9.93	9.48	6.16
8	10.09	9.88	9.90	9.41	6.09
15	9.99	9.71	9.73	9.25	6.11
22	9.90	9.61	9.76	9.23	6.18
29	9.89	9.61	9.72	9.23	6.12
JULY 6	9.84	9.62	9.73	9.16	6.08
13	9.94	9.75	9.94	9.17	6.11
20	10.10	9.83	10.03	9.19	6.15
27	10.29	9.98	10.17	9.23	6.19
AUG. 3	10.23	9.98	10.11	9.24	6.14
10	10.25	10.07	10.27	9.20	6.13
17	10.53	10.32	10.60	9.20	6.16
24	10.81	10.52	10.75	9.21	N.A.
31					

\* 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

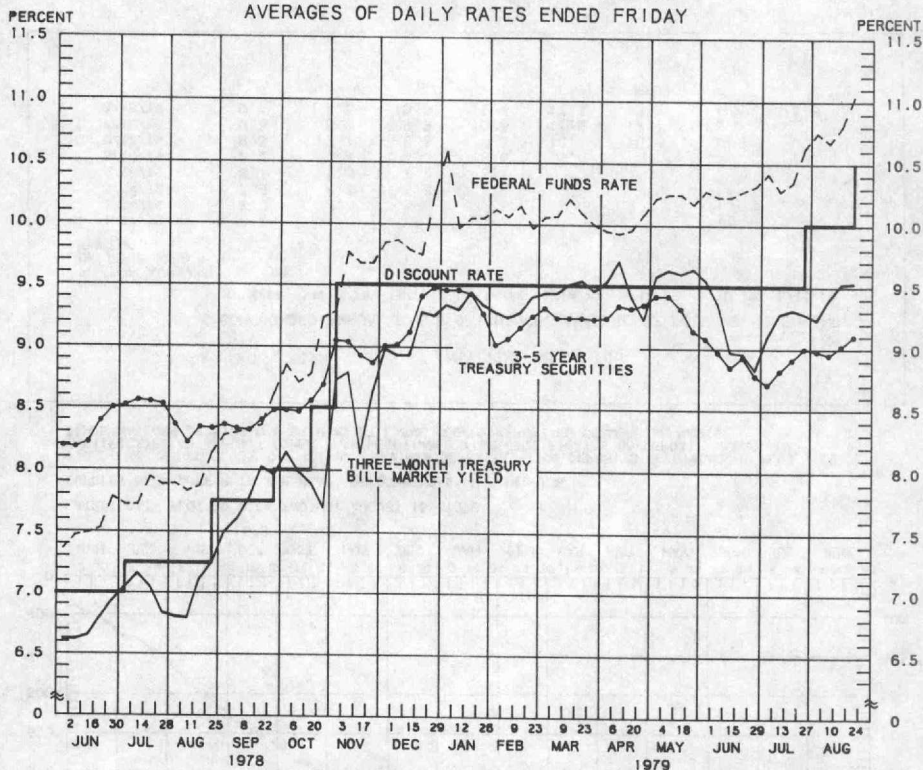
EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: AUGUST 24, 1979

1979	FEDERAL FUNDS <sup>***</sup>	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL <sup>***</sup>	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
JUNE 1	10.28	9.55	9.41	9.05	9.08	8.98
8	10.23	9.36	9.43	8.94	8.97	8.90
15	10.23	8.97	9.05	8.74	8.85	8.81
22	10.28	8.96	8.87	8.84	8.93	8.85
29	10.32	8.83	8.90	8.64	8.78	8.76
JULY 6	10.42	9.10	8.87	8.70	8.71	8.74
13	10.28	9.28	9.16	8.79	8.82	8.82
20	10.35	9.31	9.26	8.93	8.91	8.88
27	10.63	9.28	9.47	9.00	9.00	8.90
AUG. 3	10.75	9.23	9.30	8.93	8.98	8.88
10	10.67	9.40	9.32	8.95	8.95	8.85
17	10.80	9.52	9.48	9.15	9.02	8.87
24 <sup>*</sup>	11.04	9.53	9.50	9.24	9.10	8.88
31						

<sup>\*</sup> AVERAGES OF RATES AVAILABLE.

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

<sup>\*\*\*</sup> CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

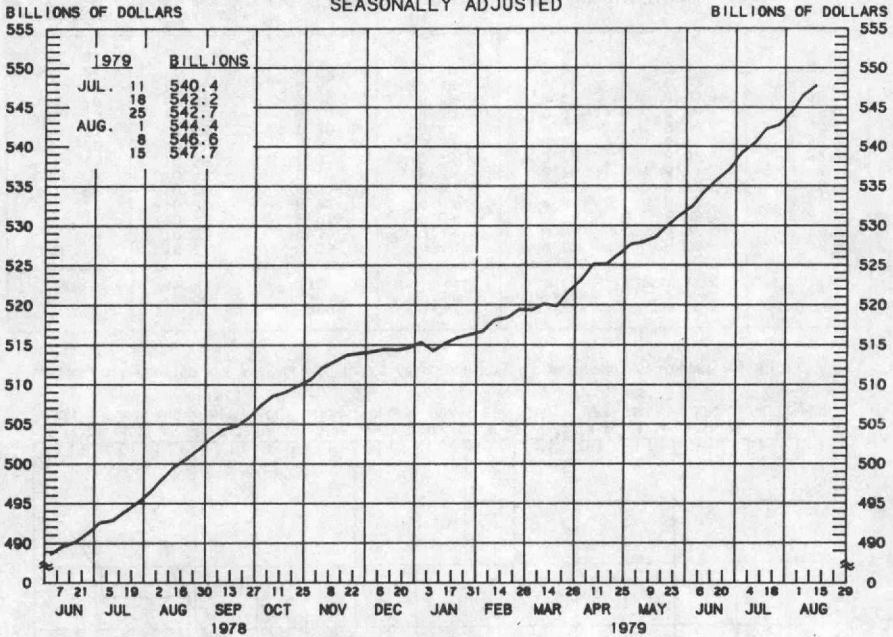
<sup>\*\*\*\*</sup> NEW ISSUE RATE

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: AUGUST 15, 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:

8/16/78 11/15/78 1/17/79 2/14/79 3/14/79 4/18/79 5/16/79 6/13/79

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

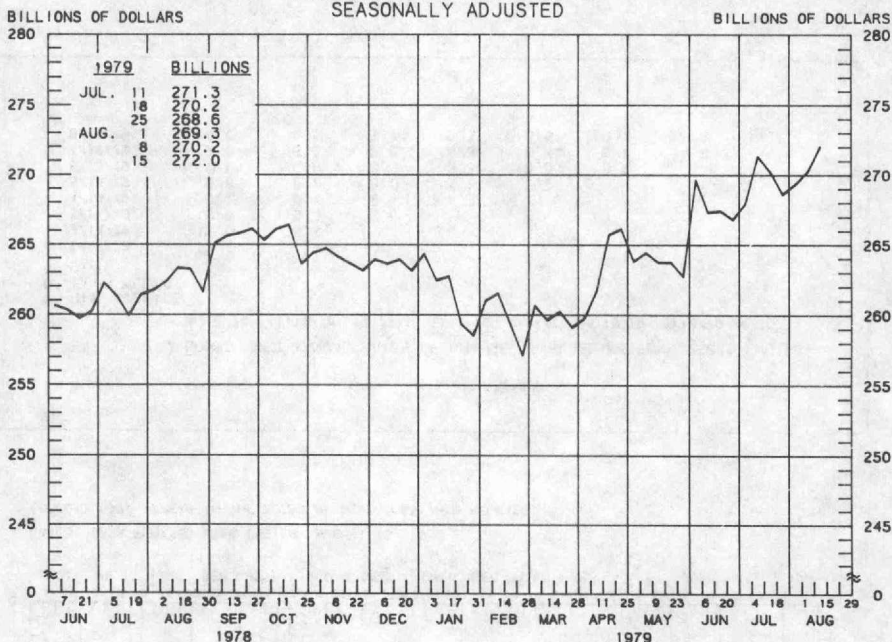
1/17/79	8.6							
2/14/79	8.0	4.3						
3/14/79	7.8	4.8	5.8					
4/18/79	8.1	5.8	7.2	8.1				
5/16/79	8.2	6.4	7.8	8.6	9.6			
6/13/79	8.5	7.1	8.5	9.3	10.1	10.6		
7/18/79	9.3	8.3	9.9	10.8	11.8	12.7	14.0	
8/15/79	9.7	9.0	10.5	11.4	12.3	13.2	14.2	15.5

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# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 15, 1979

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

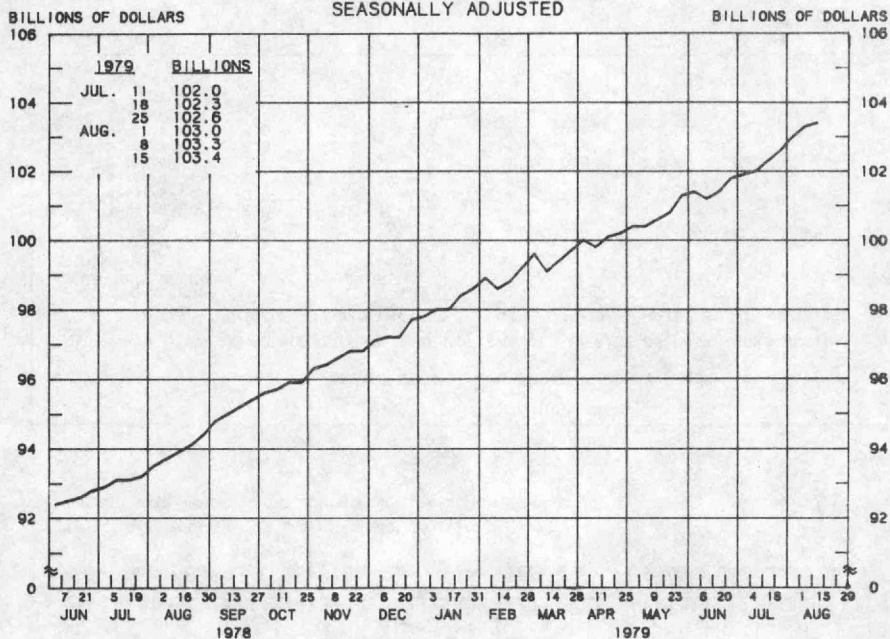
## DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

	8/16/78	11/15/78	1/17/79	2/14/79	3/14/79	4/18/79	5/16/79	6/13/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/17/79	0.8							
2/14/79	-1.6	-6.1						
3/14/79	-2.0	-5.7	-9.3					
4/18/79	-0.3	-2.3	-2.3	3.4				
5/16/79	1.2	0.2	1.6	6.9	12.4			
6/13/79	1.7	1.1	2.6	6.9	10.6	10.9		
7/18/79	2.9	2.8	4.6	8.4	11.4	12.0	10.5	
8/15/79	3.0	2.9	4.6	7.8	10.1	10.2	8.6	9.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 15, 1979

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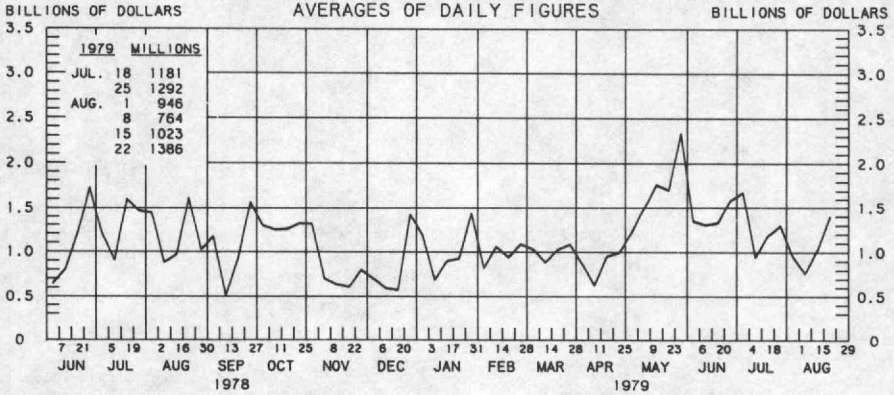
CURRENCY

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

	8/16/78	11/15/78	1/17/79	2/14/79	3/14/79	4/18/79	5/16/79	8/13/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/17/79	11.2							
2/14/79	11.0	9.9						
3/14/79	10.6	9.5	9.0					
4/18/79	10.2	9.1	8.4	7.9				
5/16/79	9.8	8.7	8.0	7.5	7.2			
6/13/79	9.9	9.0	8.6	8.3	8.3	8.8		
7/18/79	9.8	8.9	8.6	8.3	8.4	8.7	9.6	
8/15/79	10.1	9.5	9.4	9.3	9.5	10.1	11.2	11.3

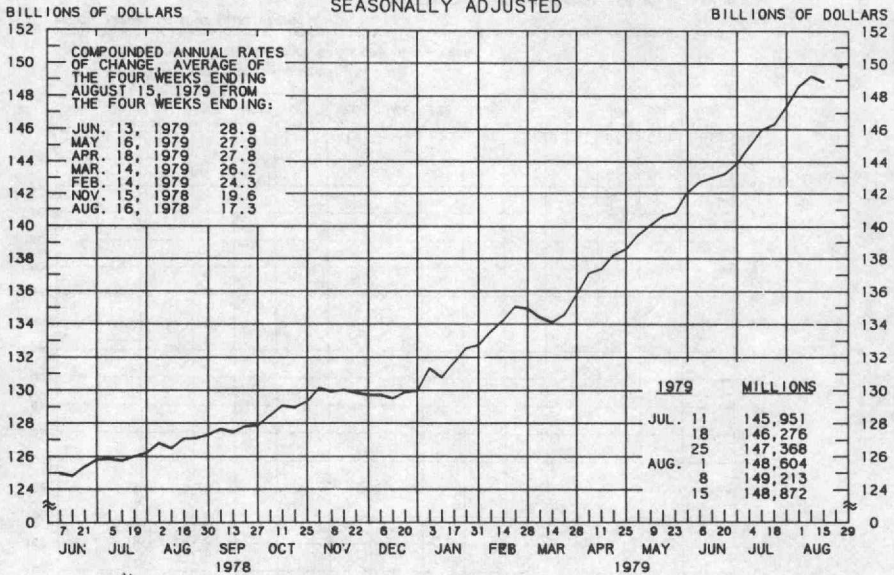
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 1979

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

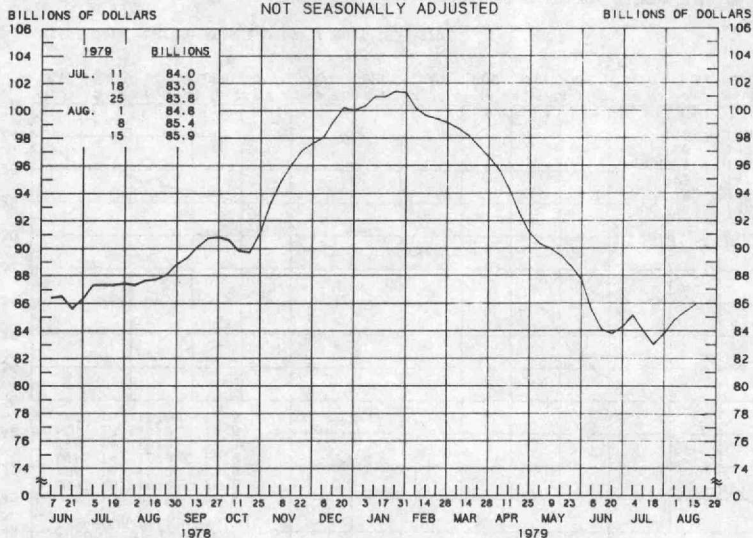


LATEST DATA PLOTTED WEEK ENDING: AUGUST 15, 1979

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

## CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 15, 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.

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