



S. FINANCIAL DATA

Week ending: August 29, 1979

LIBRARY

The amount of large negotiable certificates of deposit (CDs) outstanding at weekly reporting large commercial banks has leveled off since mid-June, after falling steadily for about five months. From the week ending January 24 to the week ending June 27, large CDs outstanding declined by \$17.1 billion to \$84.3 billion, and since then have fluctuated around the \$84 billion level.

After falling sharply at the beginning of 1979, the interest rate on 90-day CDs fluctuated around a level slightly above 10 percent until early July (page 6). From the week ending February 9 to the week ending July 6, the 90-day CD rate averaged 10.09 percent. Since early July, however, this rate has risen sharply. In the last eight weeks, the 90-day CD rate increased 124 basis points to 11.08 percent in the week of August 31.

Because large CDs are an important source of funds to commercial banks, changes in the interest rate on CDs influence banks' cost of loanable funds. Moreover, the effective cost to member banks of obtaining loanable funds through the issuance of large CDs is slightly higher than the reported CD rate. Member banks are required to hold reserves against these deposits, thereby reducing the actual amount of funds they have available for making loans. In the most recent week, the effective cost to member banks of attracting loanable funds by issuing large negotiable CDs rose to 12.04 percent.

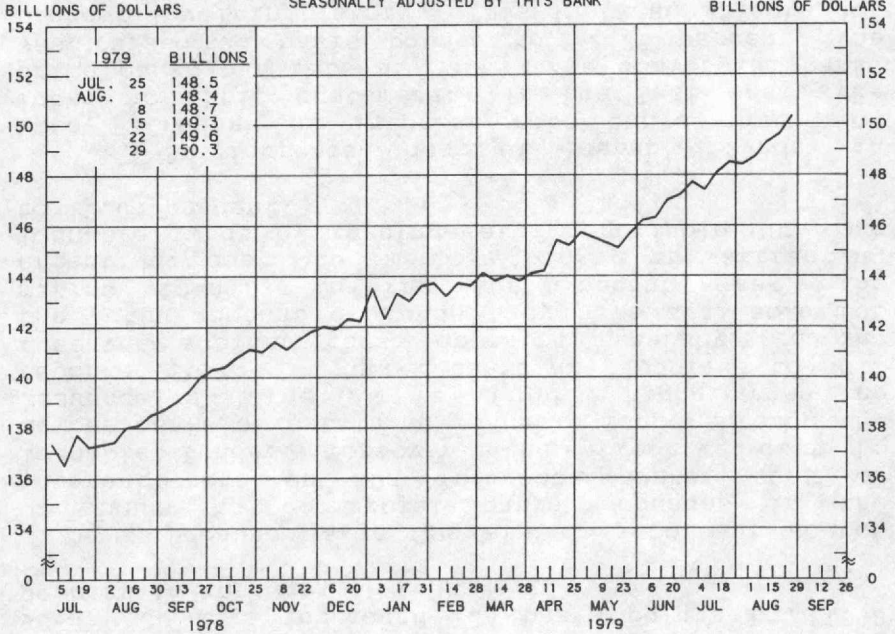
An increased cost of loanable funds, in turn, affects the interest rate banks charge on loans to their customers. In the last week, the prime bank loan rate at most large commercial banks was raised 25 basis points to 12.25 percent, the highest level in history. This increase affects not only new short-term loans to large businesses with the best credit ratings, but also a portion of outstanding business loans which are tied to the prime rate.

Prepared by Federal Reserve Bank of St. Louis

Released: August 31, 1979

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: AUGUST 29, 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.

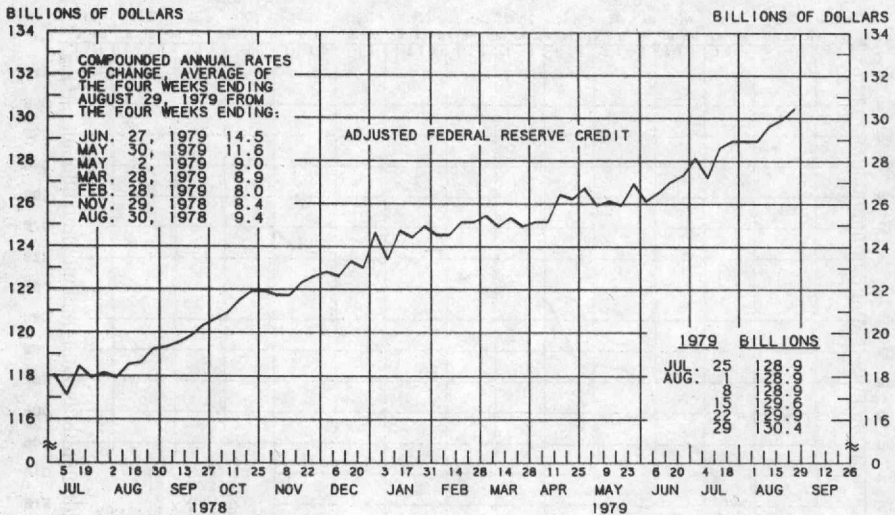
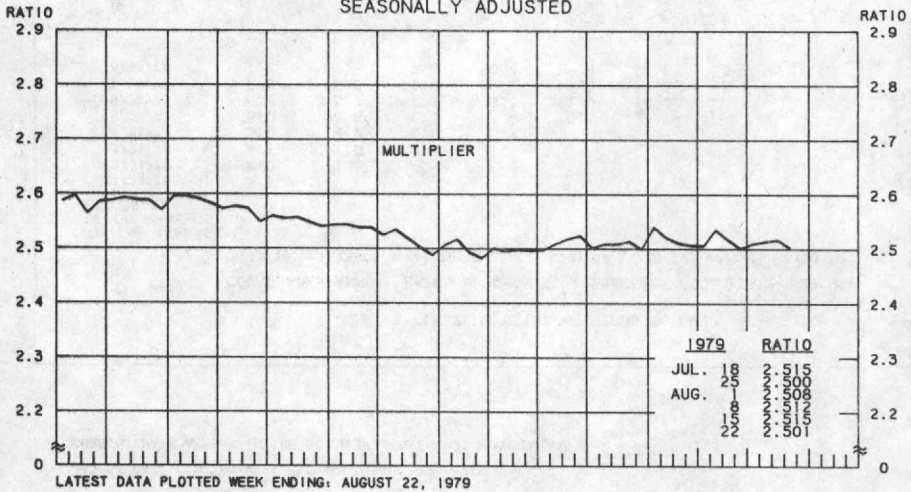
ADJUSTED MONETARY BASE

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

	8/30/78	11/29/78	1/31/79	2/28/79	3/28/79	5/2/79	5/30/79	6/27/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/31/79	9.0							
2/28/79	8.3	6.1						
3/28/79	7.5	5.3	3.7					
5/ 2/79	7.7	6.1	5.7	6.2				
5/30/79	7.2	5.6	5.0	5.1	6.2			
6/27/79	7.7	6.5	6.3	6.8	8.0	7.4		
8/ 1/79	8.0	7.0	7.1	7.6	8.7	8.5	11.2	
8/29/79	8.3	7.6	7.9	8.4	9.4	9.6	11.8	11.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

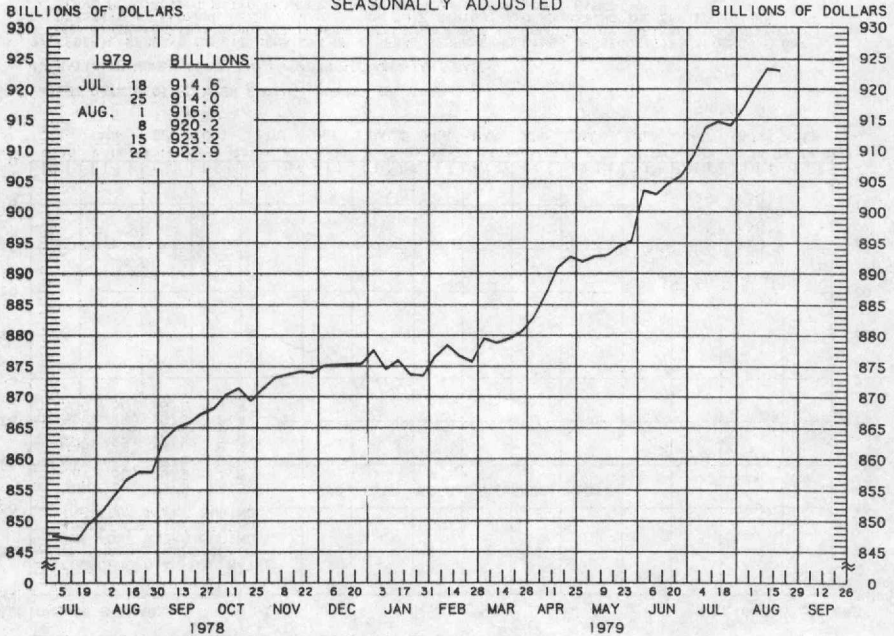


1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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 22, 1979

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

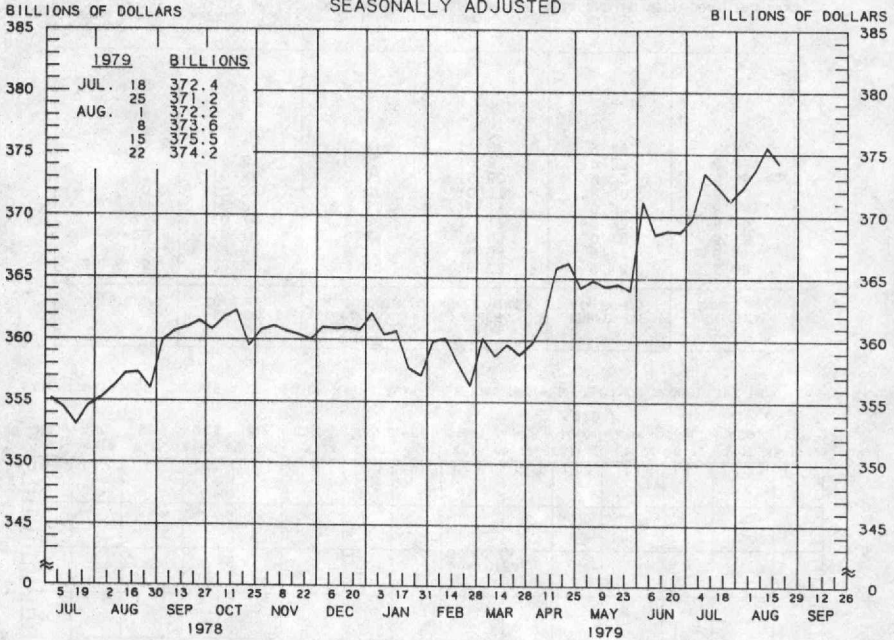
MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	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	5.7							
2/21/79	5.0	1.5						
3/21/79	4.7	1.9	2.2					
4/25/79	5.8	4.2	6.0	8.2				
5/23/79	6.0	4.6	6.3	7.9	10.1			
6/20/79	6.6	5.7	7.5	9.1	11.0	10.1		
7/25/79	7.3	6.8	8.7	10.2	11.8	11.5	13.5	
8/22/79	7.7	7.4	9.1	10.4	11.8	11.6	13.0	12.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 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)

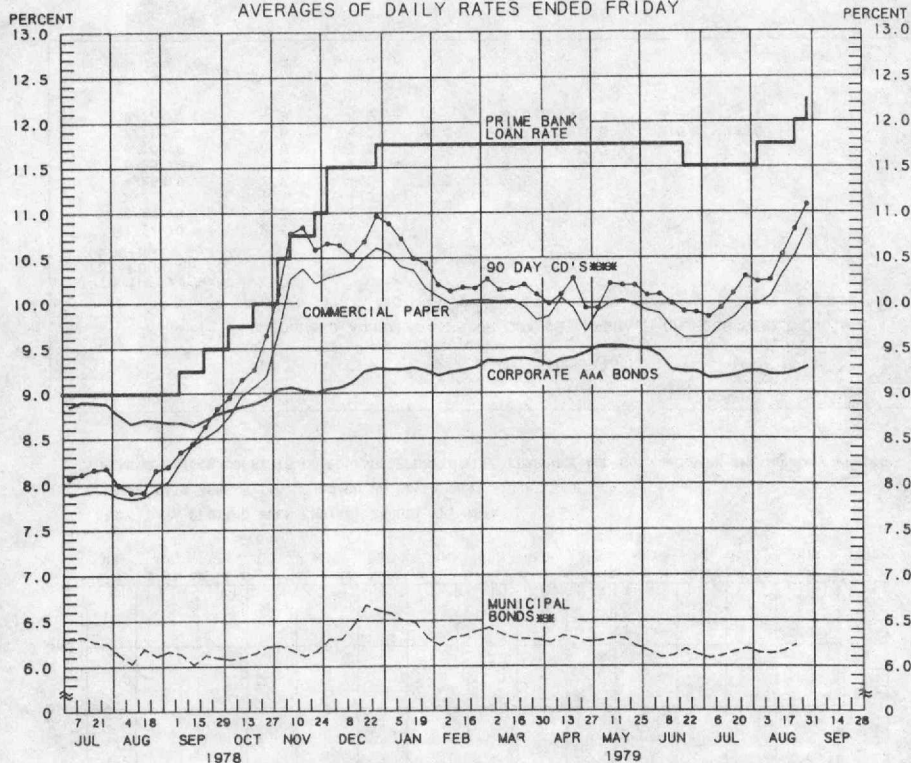
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	8/23/78	11/22/78	1/24/79	2/21/79	3/21/79	4/25/79	5/23/79	6/20/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/24/79	2.5							
2/21/79	1.3	-2.2						
3/21/79	1.1	-1.8	-2.7					
4/25/79	2.8	1.6	3.5	7.5				
5/23/79	3.0	2.1	3.7	6.5	9.7			
6/20/79	3.9	3.5	5.5	8.1	10.9	8.9		
7/25/79	4.6	4.5	6.5	8.7	10.8	9.6	12.0	
8/22/79	4.9	4.9	6.7	8.6	10.3	9.2	10.7	9.5

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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 31, 1979

1979	90 DAY CD'S <small>SEMI</small>	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS <small>SEMI</small>
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	10.82	9.23	6.23
31 *	11.08	10.81	11.07	9.29	N.A.
SEP. 7					
14					
21					
28					

* AVERAGES OF RATES AVAILABLE.

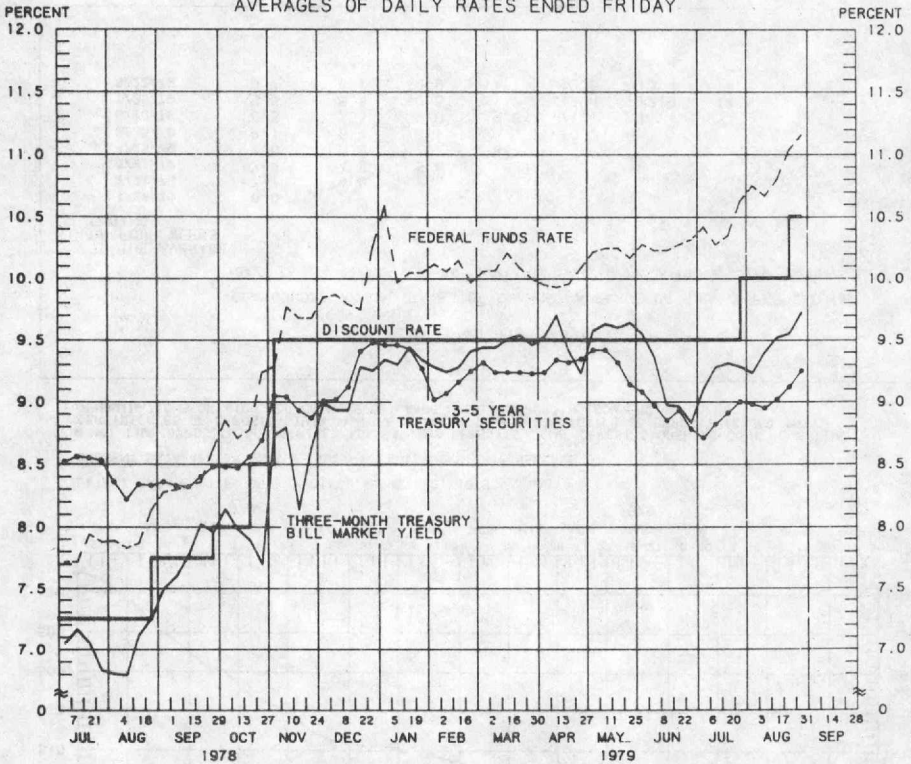
SEMI BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS THURSDAY DATA.

SEMI 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



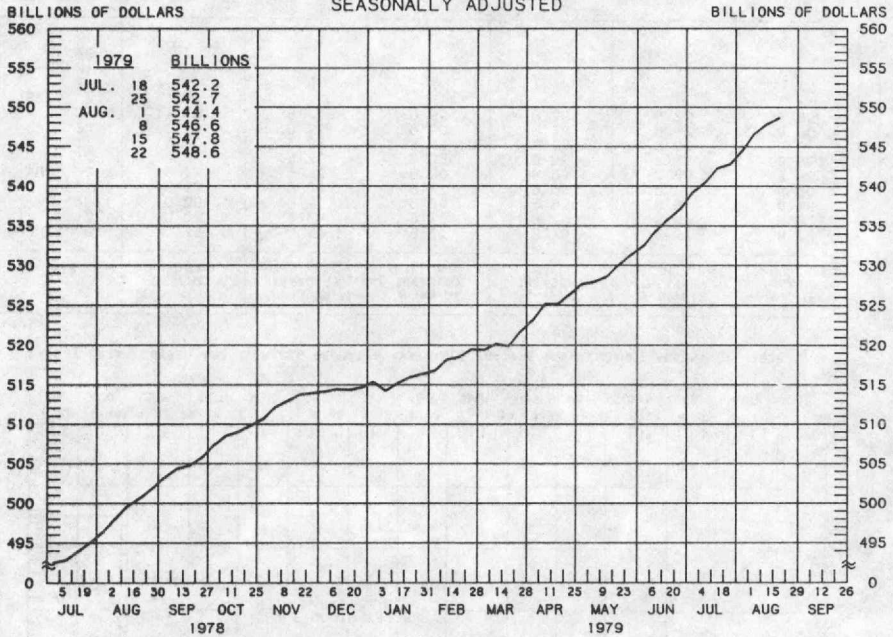
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 31, 1979

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
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	11.04	9.55	9.50	9.28	9.12	8.90
31	11.16	9.72	9.65	9.38	9.25	8.95
SEP. 7						
14						
21						
28						

* 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: AUGUST 22, 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:

8/23/78 11/22/78 1/24/79 2/21/79 3/21/79 4/25/79 5/23/79 6/20/79

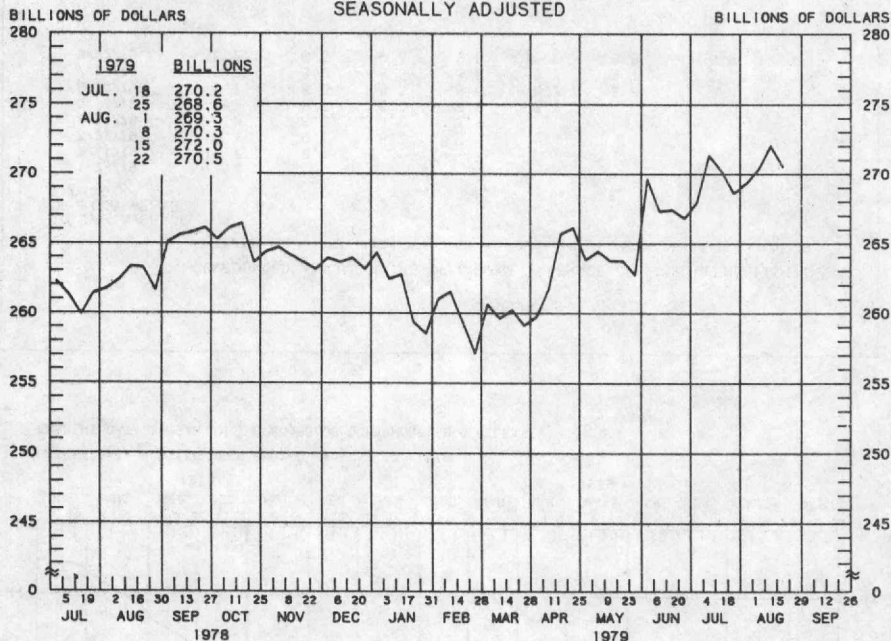
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

1/24/79	8.0							
2/21/79	7.7	4.0						
3/21/79	7.4	4.5	5.8					
4/25/79	7.9	5.9	7.7	8.7				
5/23/79	8.1	6.4	8.1	8.9	10.2			
6/20/79	8.5	7.3	9.0	9.8	11.1	11.1		
7/25/79	9.3	8.5	10.3	11.2	12.4	12.9	14.6	
8/22/79	9.7	9.1	10.9	11.7	12.8	13.4	14.7	15.4

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DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 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:

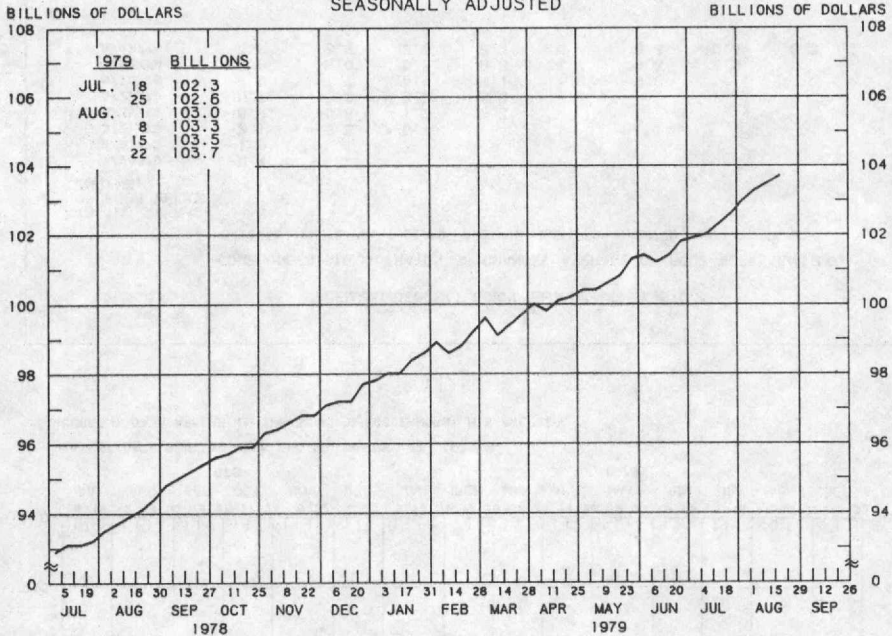
8/23/78 11/22/78 1/24/79 2/21/79 3/21/79 4/25/79 5/23/79 6/20/79

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

1/24/79	-0.4							
2/21/79	-1.9	-6.1						
3/21/79	-2.1	-5.5	-6.7					
4/25/79	0.4	-0.8	1.7	7.3				
5/23/79	0.7	-0.2	2.0	6.0	10.4			
6/20/79	1.9	1.7	4.4	8.1	11.9	9.0		
7/25/79	2.8	3.0	5.6	8.8	11.7	9.8	12.9	
8/22/79	3.0	3.2	5.6	8.2	10.4	8.6	10.4	8.3

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 22, 1979

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

CURRENCY

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

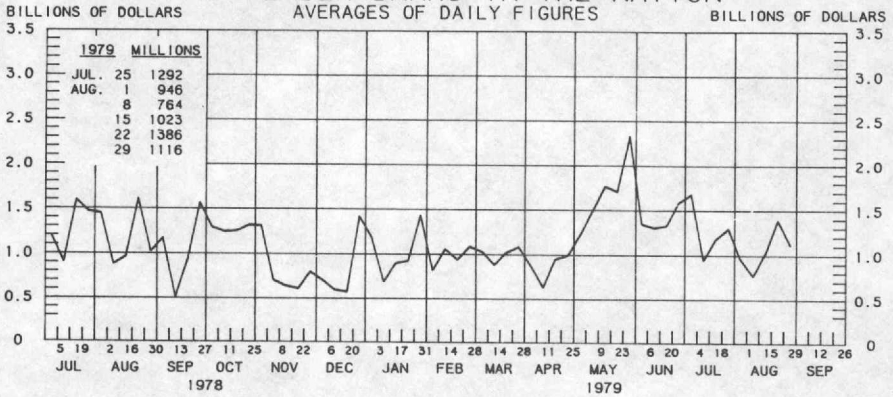
8/23/78 11/22/78 1/24/79 2/21/79 3/21/79 4/25/79 5/23/79 6/20/79

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

1/24/79	11.2								
2/21/79	10.7	9.4							
3/21/79	10.4	9.1	8.2						
4/25/79	10.0	8.8	8.0	7.9					
5/23/79	9.8	8.7	8.0	7.9	7.8				
6/20/79	9.7	8.8	8.3	8.3	8.3	8.8			
7/25/79	9.7	8.9	8.5	8.6	8.7	9.1	9.5		
8/22/79	10.2	9.6	9.5	9.8	10.0	10.8	11.6	12.6	

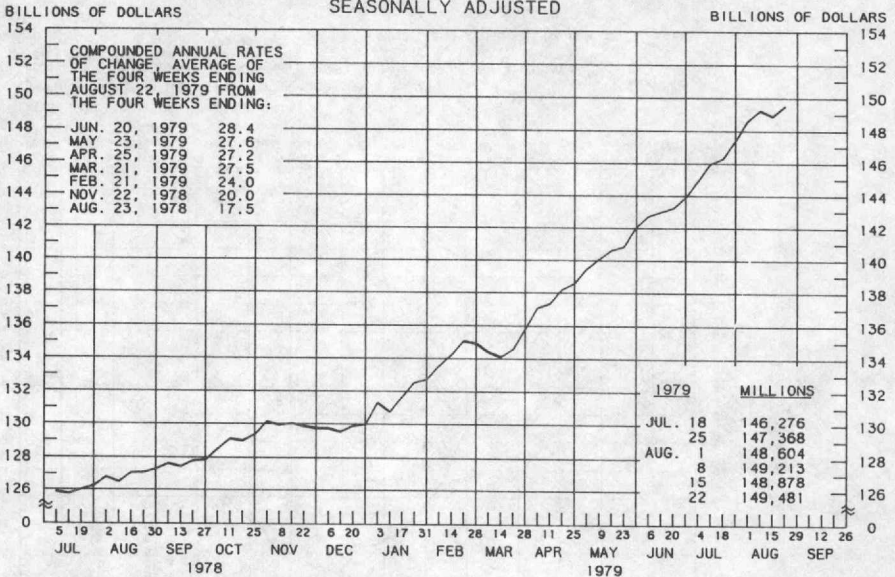
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: AUGUST 29, 1979

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 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 22, 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