



U.S. FINANCIAL DATA

Week ending: September 12, 1979

LIBRARY During the past week most major money market banks raised the prime commercial loan rate to 12.75 percent. This increase is the fourth since late July. These recent increases in the prime rate reflect the combined effects of the rising cost of funds to banks and the strong demand for business loans. Interest rates on large negotiable certificates of deposit (CDs), a primary source of funds for commercial banks, have risen sharply. For example, the interest rate on 90 day CDs has risen to 11.84 percent in the week ending September 14. Because member banks are required to hold reserves against these funds, the effective cost of these deposits to member banks averaged 12.87 percent in the most recent week. In contrast, the effective cost of this source of funds was 11.18 percent during the last week of July.

The continued strength in business demand for short-term credit is evident in the recent rapid growth of both business loans and commercial paper outstanding. Commercial and industrial loans by large weekly reporting banks have grown at about a 26 percent annual rate over the last two months and commercial paper issued by non-financial corporations continues to increase at a high rate.

Since borrowing from banks and borrowing in the commercial paper market are substitute forms of financing for large corporations, the prime rate and the commercial loan rate tend to move together. Since the end of July the four- to six-month commercial paper rate has risen about 170 basis points (page 6) while the prime rate has climbed 100 basis points.

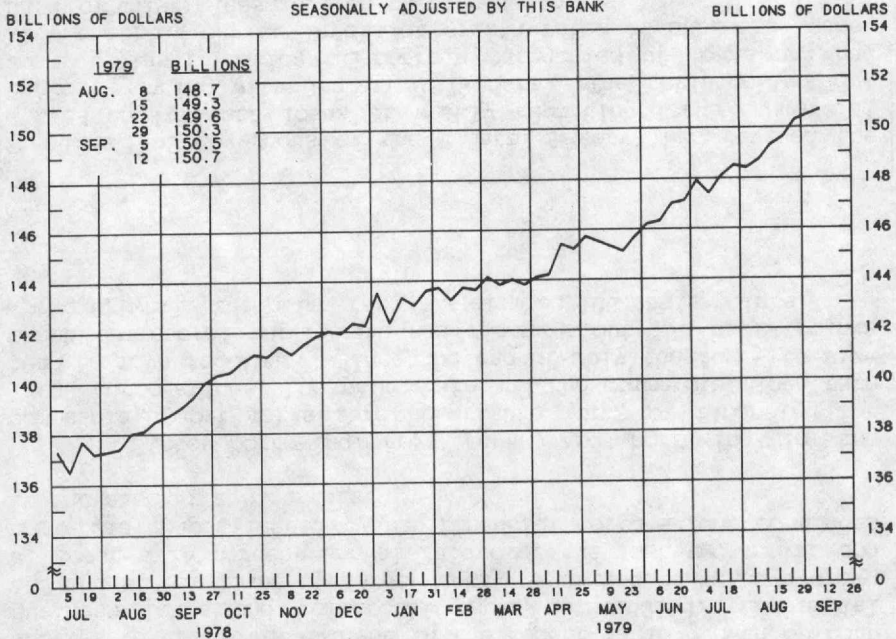
The Board of Governors of the Federal Reserve has revised the series on business loans at weekly reporting large commercial banks beginning with January 1979 data. The revision was due to a reclassification of certain categories of loans and had little effect on the levels or growth rates of business loans. Data in this release are on the revised basis.

Prepared by Federal Reserve Bank of St. Louis

Released: September 14, 1979

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 12, 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:

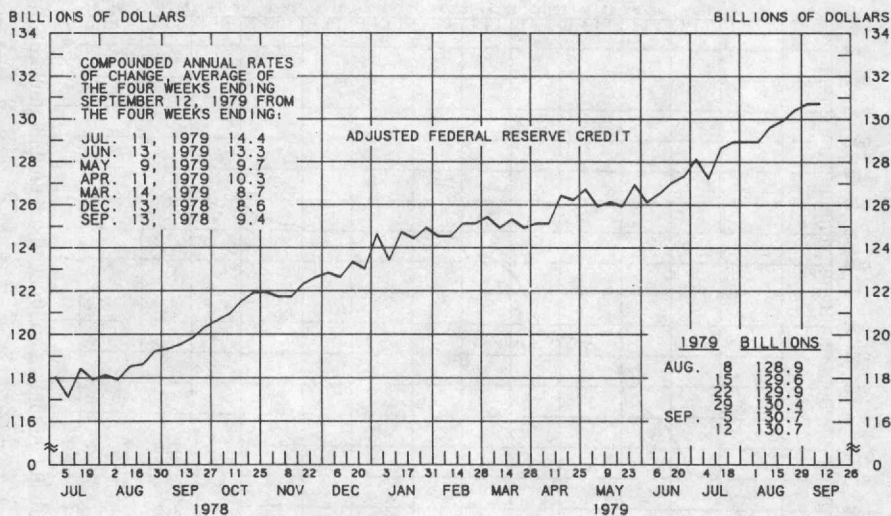
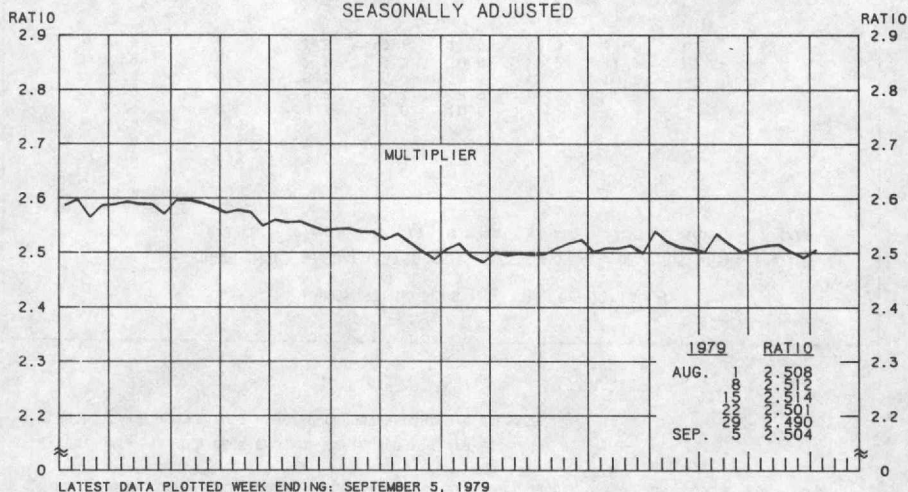
9/13/78 12/13/78 2/14/79 3/14/79 4/11/79 5/9/79 6/13/79 7/11/79

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/14/79	8.4							
3/14/79	7.6	5.8						
4/11/79	6.8	4.8	2.8					
5/9/79	7.7	6.6	6.5	7.9				
6/13/79	7.0	5.7	5.2	5.7	7.4			
7/11/79	7.7	6.9	7.0	7.9	9.8	7.8		
8/15/79	7.9	7.3	7.5	8.2	9.7	8.4	12.1	
9/12/79	8.4	8.1	8.5	9.2	10.7	9.8	12.9	11.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



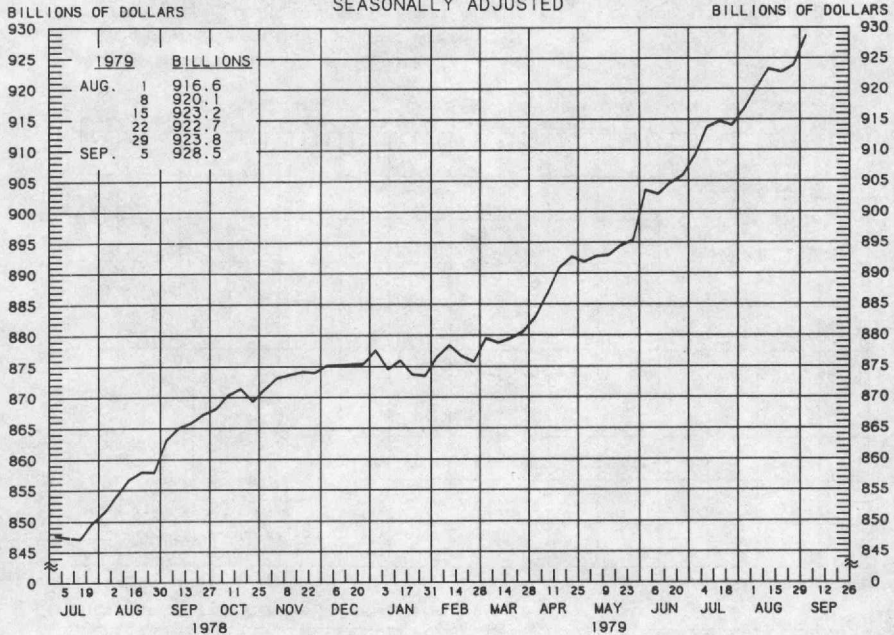
1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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: SEPTEMBER 5, 1979

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

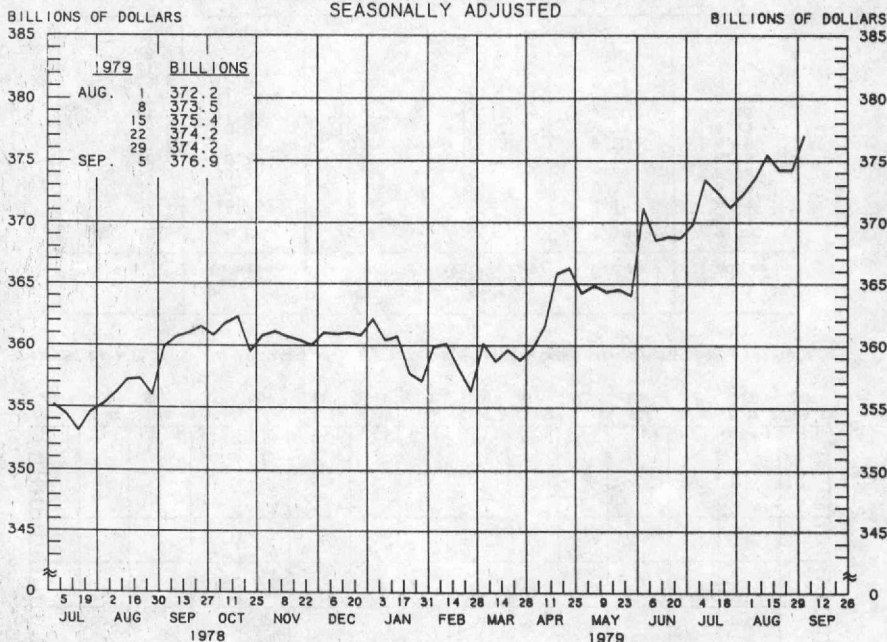
MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	9/6/78	12/6/78	2/7/79	3/7/79	4/4/79	5/2/79	6/6/79	7/4/79
2/ 7/79	4.5							
3/ 7/79	4.4	1.5						
4/ 4/79	4.4	2.2	4.2					
5/ 2/79	5.7	4.7	8.0	10.0				
6/ 6/79	5.9	5.2	7.7	8.9	11.0			
7/ 4/79	6.6	6.3	8.9	10.1	12.0	10.2		
8/ 8/79	7.3	7.2	9.7	10.8	12.2	11.2	13.5	
9/ 5/79	7.6	7.8	10.1	11.0	12.3	11.5	13.1	12.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 5, 1979

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

MONEY STOCK (M1)

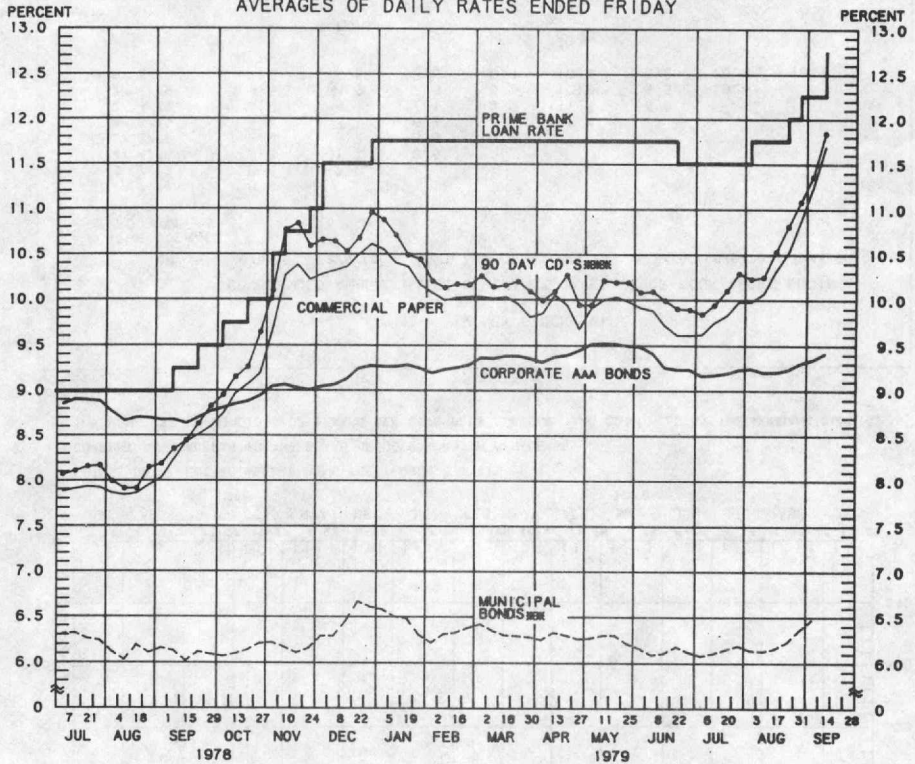
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	9/6/78	12/6/78	2/7/79	3/7/79	4/4/79	5/2/79	6/6/79	7/4/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 7/79	0.9							
3/ 7/79	0.6	-2.0						
4/ 4/79	0.8	-1.1	0.5					
5/ 2/79	2.9	2.7	6.8	10.8				
6/ 6/79	3.1	3.1	6.2	8.4	11.4			
7/ 4/79	3.9	4.1	7.1	9.0	11.4	7.5		
8/ 8/79	4.5	4.9	7.6	9.2	10.9	8.3	10.4	
9/ 5/79	4.9	5.5	8.0	9.4	10.8	8.8	10.4	10.1

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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: SEPTEMBER 14, 1979

1979	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
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	10.56	10.82	9.23	6.23
31	11.08	10.87	11.11	9.30	6.36
SEP. 7	11.36	11.24	11.51	9.34	6.47
14 *	11.84	11.69	11.75	9.41	N.A.
21					
28					

* AVERAGES OF RATES AVAILABLE.

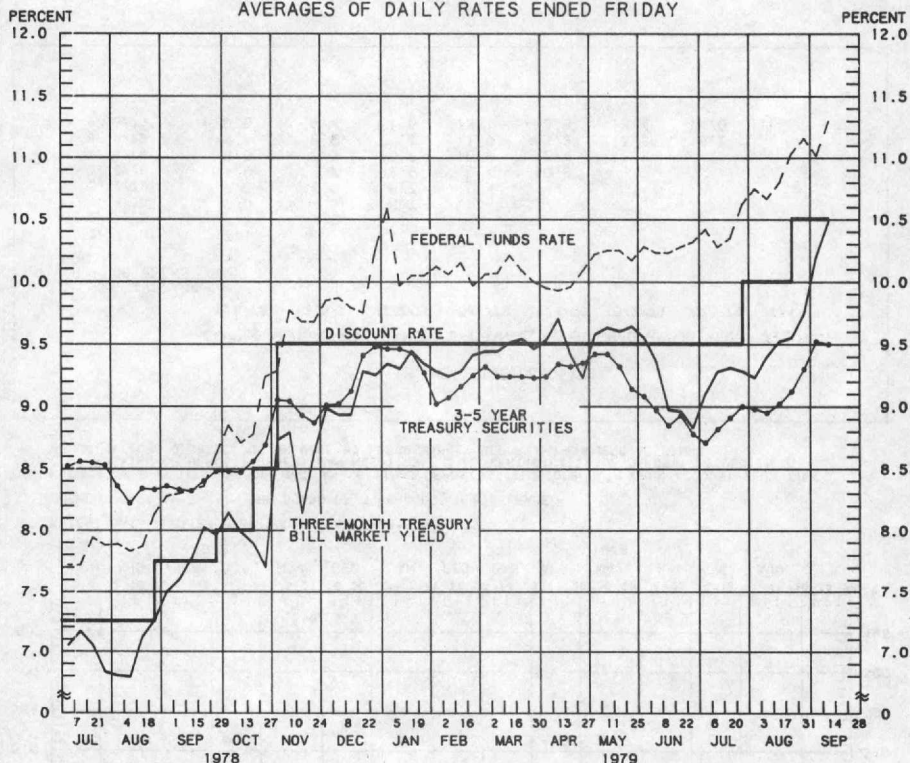
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

*** 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: SEPTEMBER 14, 1979

1979	FEDERAL FUNDS <small>NEW</small>	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL <small>NEW</small>	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	9.74	9.65	9.41	9.30	8.98
SEP. 7	11.02	10.20	9.78	9.84	9.52	9.12
14 <small>*</small>	11.30	10.48	10.29	9.98	9.50	9.12
21						
28						

* AVERAGES OF RATES AVAILABLE.

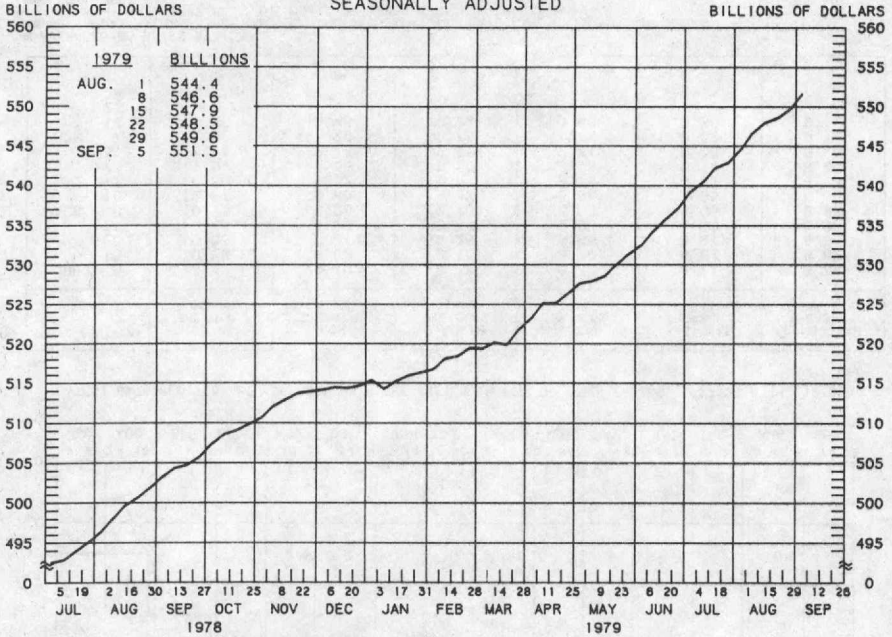
** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

*** 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: SEPTEMBER 5, 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

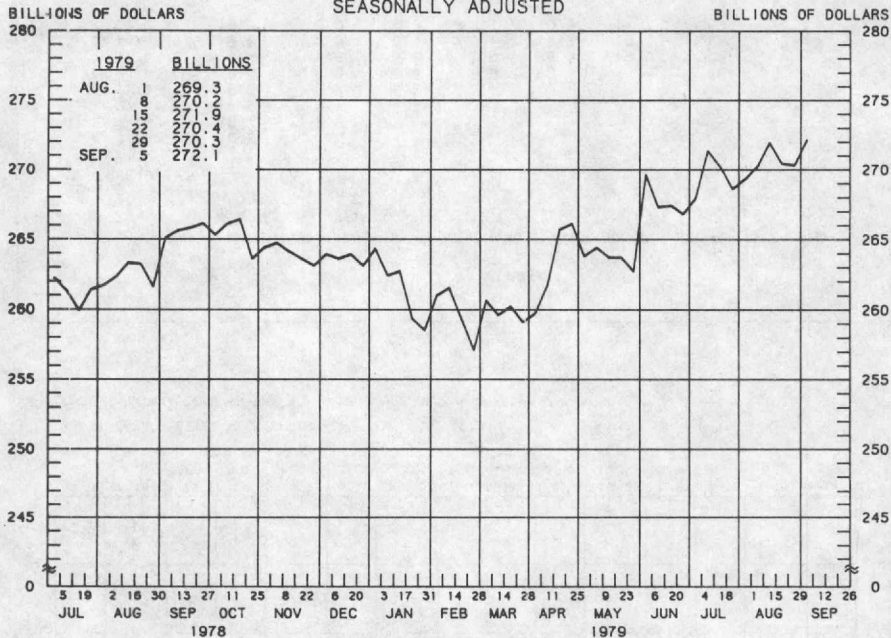
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	9/6/78	12/6/78	2/7/79	3/7/79	4/4/79	5/2/79	6/6/79	7/4/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 7/79	7.1							
3/ 7/79	7.1	4.0						
4/ 4/79	7.0	4.5	6.7					
5/ 2/79	7.6	6.0	8.7	9.4				
6/ 6/79	7.9	6.7	8.9	9.4	10.9			
7/ 4/79	8.6	7.9	10.2	10.9	12.4	12.2		
8/ 8/79	9.3	8.9	11.1	11.9	13.2	13.3	15.5	
9/ 5/79	9.6	9.4	11.5	12.1	13.3	13.4	14.9	14.6

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: SEPTEMBER 5, 1979

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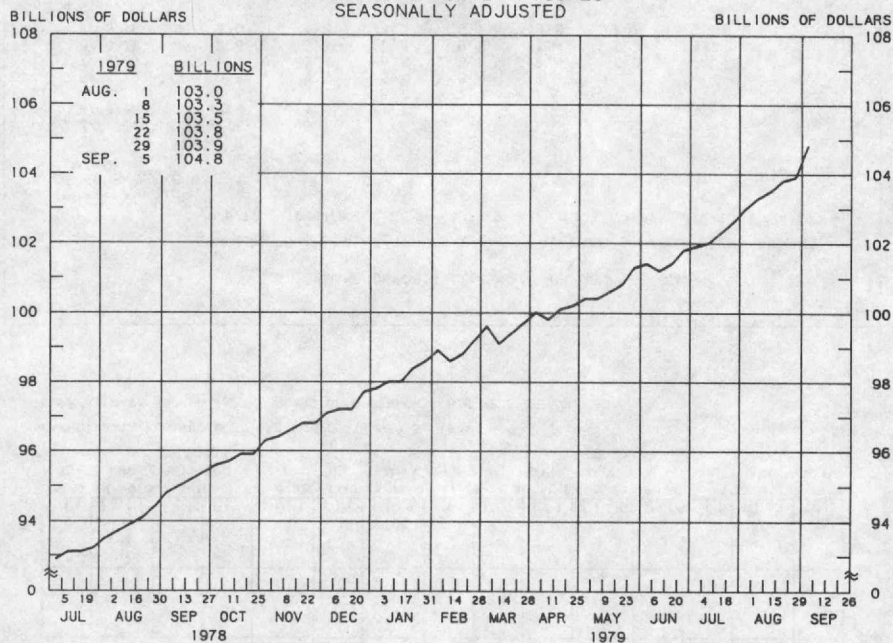
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

	9/6/78	12/6/78	2/7/79	3/7/79	4/4/79	5/2/79	6/6/79	7/4/79
2/ 7/79	-2.6							
3/ 7/79	-2.8	-6.1						
4/ 4/79	-2.4	-4.6	-1.7					
5/ 2/79	0.6	0.6	6.7	12.4				
6/ 6/79	0.8	0.9	5.4	8.4	12.1			
7/ 4/79	1.9	2.4	6.8	9.5	12.4	7.0		
8/ 8/79	2.6	3.3	7.2	9.3	11.4	7.7	10.7	
9/ 5/79	3.0	3.8	7.3	9.1	10.8	7.7	9.9	8.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CURRENCY COMPONENT
OF MONEY STOCK
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 5, 1979

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

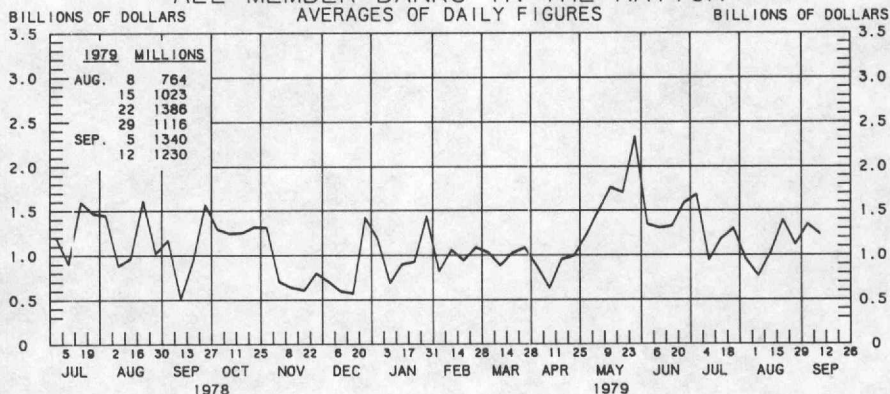
CURRENCY

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

	9/6/78	12/6/78	2/7/79	3/7/79	4/4/79	5/2/79	6/6/79	7/4/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 7/79	10.8							
3/ 7/79	10.4	9.8						
4/ 4/79	9.9	9.1	7.5					
5/ 2/79	9.6	8.7	7.2	6.7				
6/ 6/79	9.6	8.9	8.0	7.9	8.4			
7/ 4/79	9.4	8.8	8.0	7.9	8.3	9.0		
8/ 8/79	9.8	9.3	8.9	9.1	9.6	10.4	10.7	
9/ 5/79	10.3	10.0	9.9	10.1	10.8	11.7	12.4	14.4

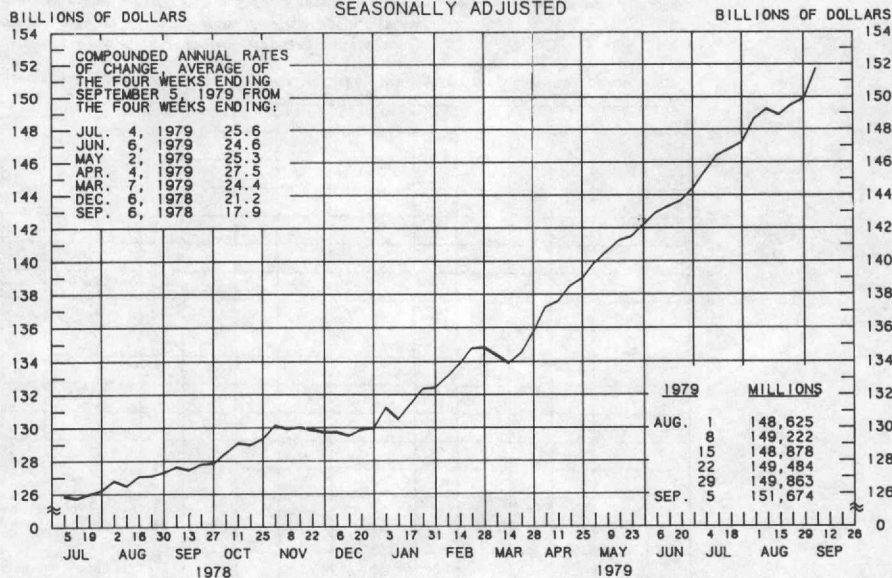
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 12, 1979

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

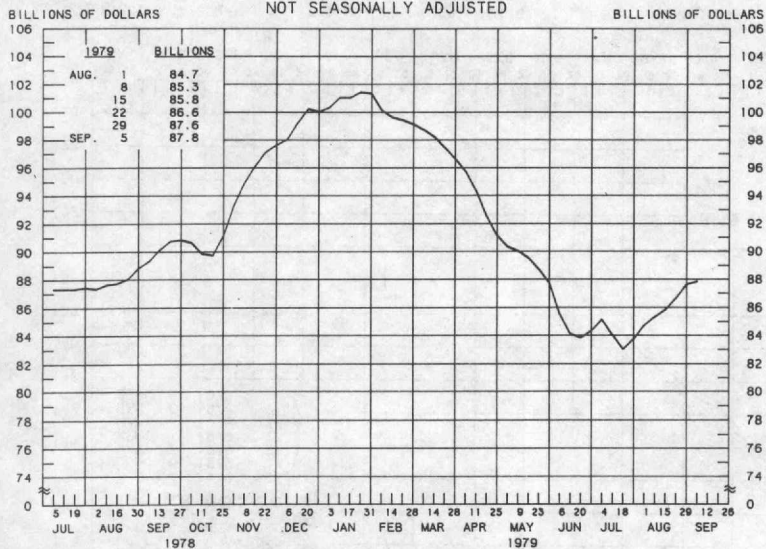


LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 5, 1979

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 5, 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