



US FINANCIAL DATA

Week ending: September 19, 1979

LIBRARY Short-term interest rates have risen dramatically during the past two months. For instance, during the past week, large banks again raised the prime rate of interest -- to a record 13 percent, an increase of 125 basis points since late July. Also this week, the Federal Reserve banks raised the discount rate from 10.50 percent to 11 percent, effective September 19. This action was taken "to bring the discount rate into closer alignment with short-term interest rates generally, and to discourage excessive borrowing by member banks at the discount window."

Periods of sharply rising interest rates are often thought to be associated with a slowing in the growth of the monetary base and the monetary aggregates; this has not been the case in the last two months. Growth of the adjusted monetary base and the monetary aggregates has accelerated in the most recent two-month period. During the two months ending September 12, 1979, the base grew at an annual rate of 11.9 percent, compared with a 7.8 percent annual rate from the four weeks ending May 9, 1979 to the four weeks ending July 11, 1979 (see table below).

During the two-month period ending September 12, 1979 M1 grew at a 9.4 percent annual rate compared with an 8.0 percent rate for the two-month period from May 9, 1979, to July 11, 1979. Similarly, M2 grew at a 12.3 percent rate in the most recent two-month period compared with an 11.0 percent rate during the earlier period. This recent growth contrasts sharply with the growth rates of about 2 percent for M1 and about 5 percent for M2 during the period from October 11, 1978 to May 9, 1979.

GROWTH RATES OF SELECTED AGGREGATES Seasonally Adjusted (Compounded Annual Rates of Change)

	10/11/78 to 5/9/79*	5/9/79 to 7/11/79*	7/11/79 to 9/12/79*
Adjusted Monetary Base	6.9%	7.8%	11.9%
M1	1.9	8.0	9.4
M2	4.9	11.0	12.3

* Four-week averages ending these dates.

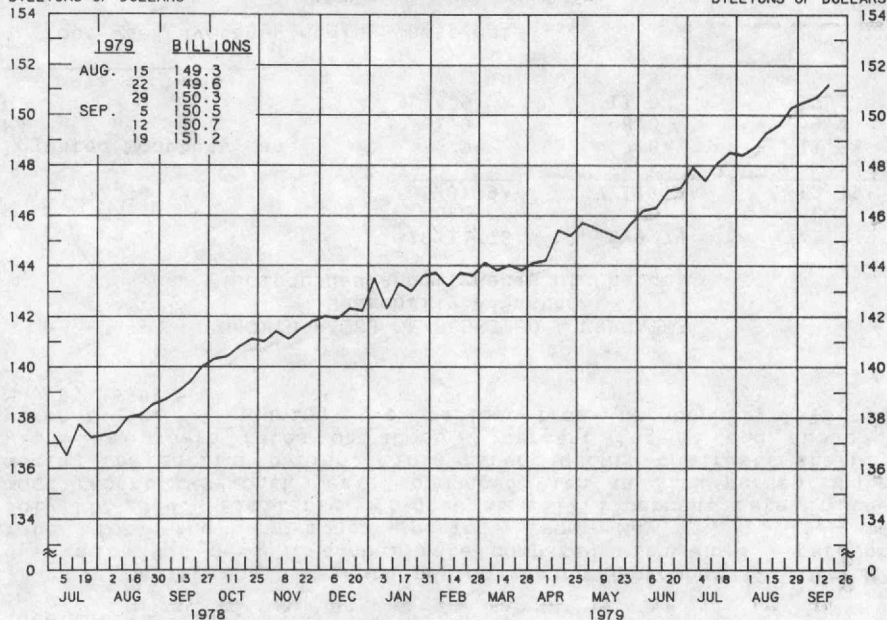
Prepared by Federal Reserve Bank of St. Louis
Released: September 21, 1979

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 19, 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:

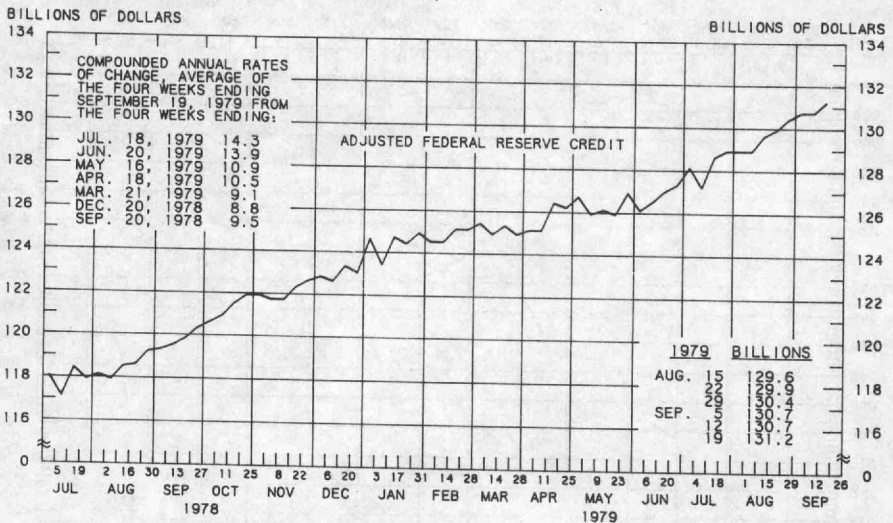
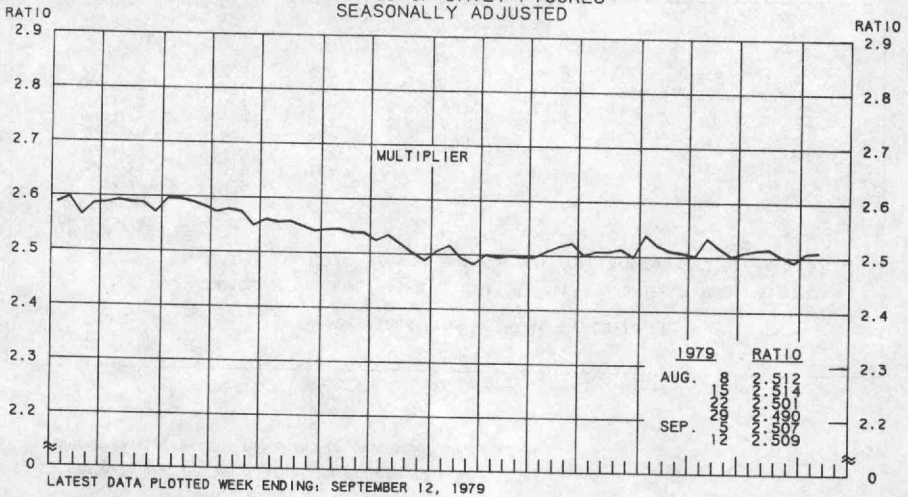
9/20/78 12/20/78 2/21/79 3/21/79 4/18/79 5/16/79 6/20/79 7/18/79

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/21/79	8.2							
3/21/79	7.3	5.5						
4/18/79	7.0	5.3	3.7					
5/16/79	7.2	6.0	5.5	7.0				
6/20/79	7.2	6.1	5.9	6.8	7.8			
7/18/79	7.6	6.9	7.0	8.1	9.2	9.1		
8/22/79	7.9	7.4	7.7	8.6	9.5	9.5	11.1	
9/19/79	8.5	8.3	8.7	9.7	10.6	10.9	12.6	12.8

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



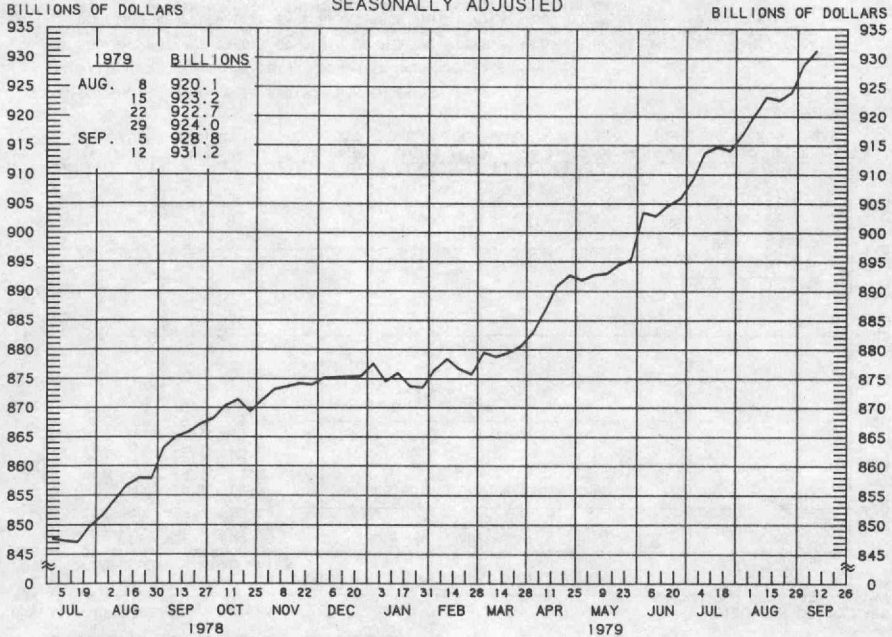
1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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 12, 1979

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

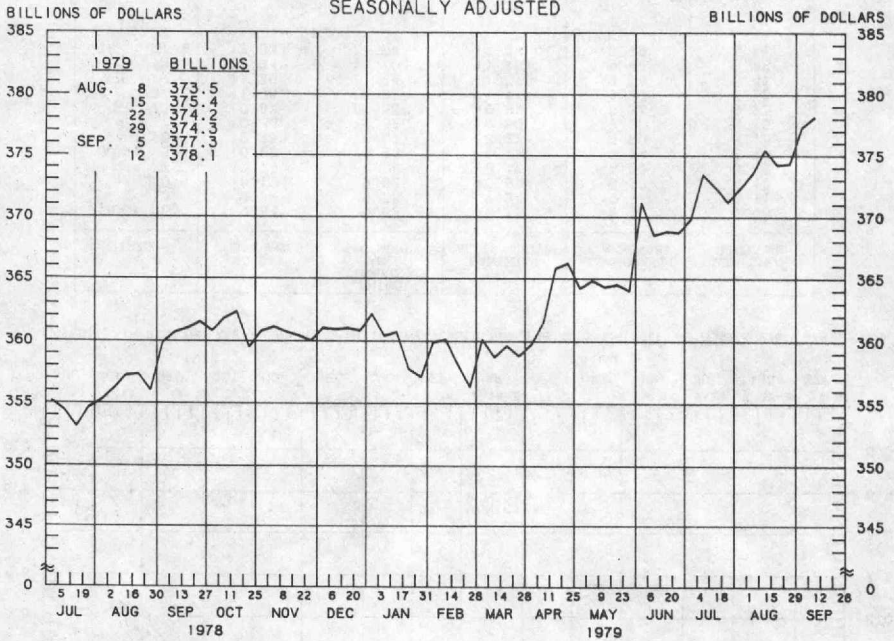
MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

	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	4.0							
3/14/79	3.9	1.4						
4/11/79	4.3	2.7	5.2					
5/ 9/79	5.6	5.0	8.4	11.2				
6/13/79	5.9	5.7	8.4	10.1	11.4			
7/11/79	6.7	6.8	9.5	11.1	12.3	11.0		
8/15/79	7.3	7.5	10.1	11.4	12.3	11.5	13.2	
9/12/79	7.6	8.0	10.4	11.5	12.3	11.7	12.9	12.3

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MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 12, 1979

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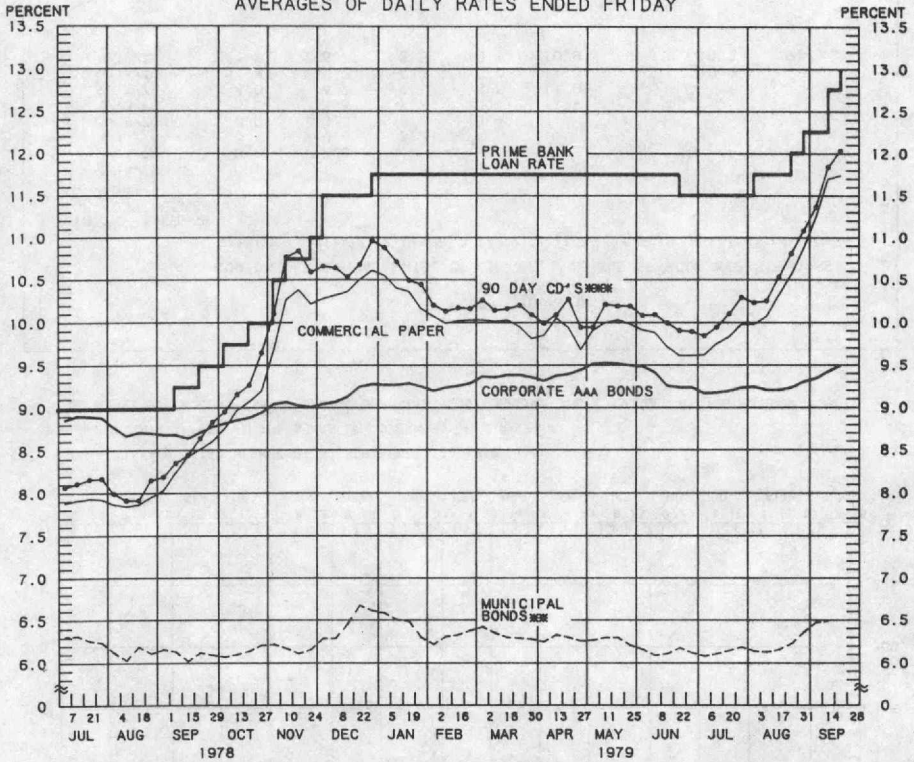
THE MONEY STOCK CONSISTS OF DEMAND DEPOSITS PLUS CURRENCY AND COIN HELD BY THE NONBANK PUBLIC.

MONEY STOCK (M1)									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	9/13/78	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	0.1								
3/14/79	-0.1	-2.5							
4/11/79	0.7	-0.6	2.2						
5/9/79	2.9	3.3	8.2	13.4					
6/13/79	3.2	3.6	7.2	10.1	11.9				
7/11/79	4.0	4.7	8.1	10.5	11.9	8.0			
8/15/79	4.4	5.2	8.2	10.0	11.0	8.2	10.0		
9/12/79	4.9	5.7	8.5	10.1	10.9	8.7	10.2	9.4	

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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 21, 1979

	1979	90 DAY CD'S <small>***</small>	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS <small>***</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	10.56	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	11.70	11.75	9.42	6.49
	21 *	12.03	11.74	11.84	9.49	N.A.
	28					

* AVERAGES OF RATES AVAILABLE.

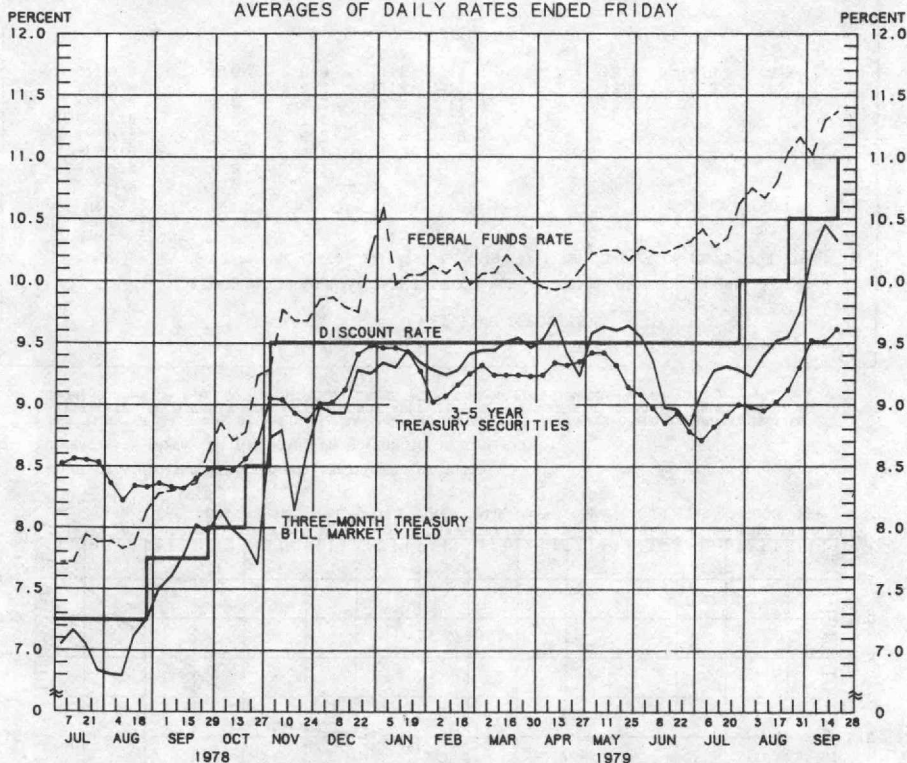
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

*** 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 21, 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	9.74	9.65	9.41	9.30	8.98
SEP. 7	11.02	10.20	9.78	9.84	9.52	9.12
14	11.30	10.45	10.29	9.96	9.51	9.12
21 *	11.37	10.32	10.32	9.94	9.61	9.15
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.

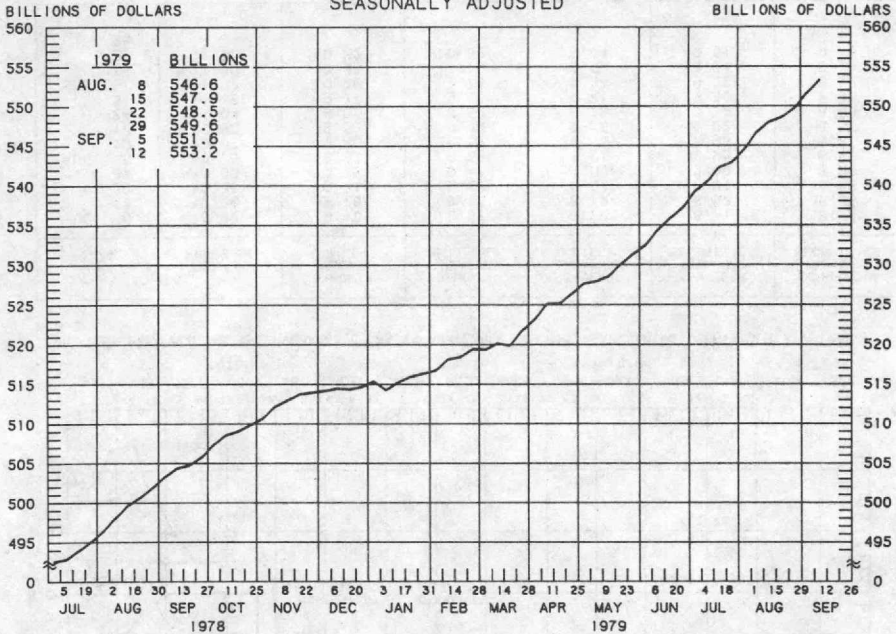
*** NEW ISSUE RATE

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 12, 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

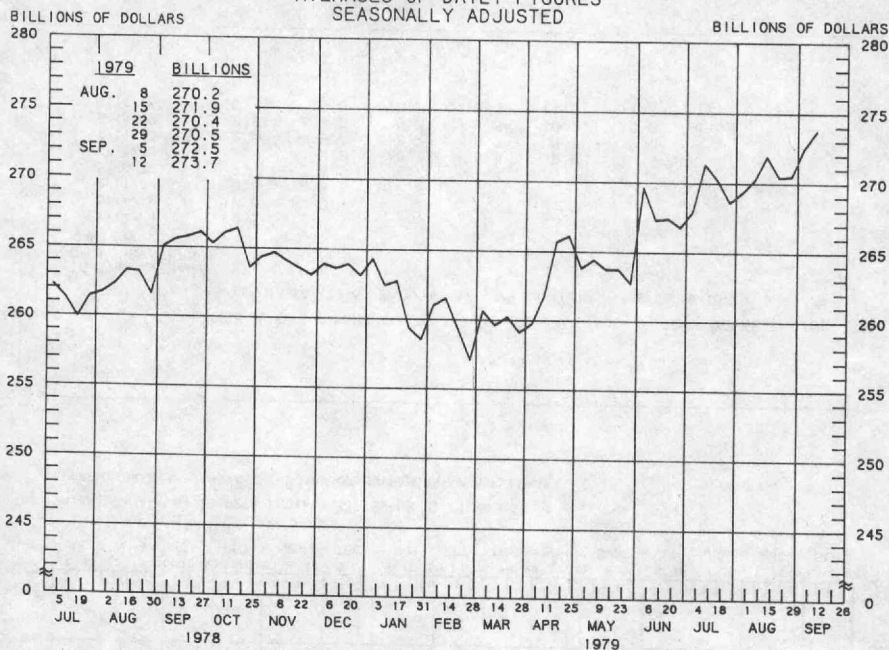
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE 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
2/14/79	6.9							
3/14/79	6.8	4.2						
4/11/79	7.0	5.1	7.3					
5/9/79	7.5	6.2	8.6	9.6				
6/13/79	7.9	7.1	9.3	10.1	11.1			
7/11/79	8.6	8.3	10.5	11.5	12.6	13.2		
8/15/79	9.3	9.2	11.4	12.3	13.3	13.8	15.5	
9/12/79	9.6	9.6	11.6	12.5	13.3	13.7	14.8	14.3

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 12, 1979

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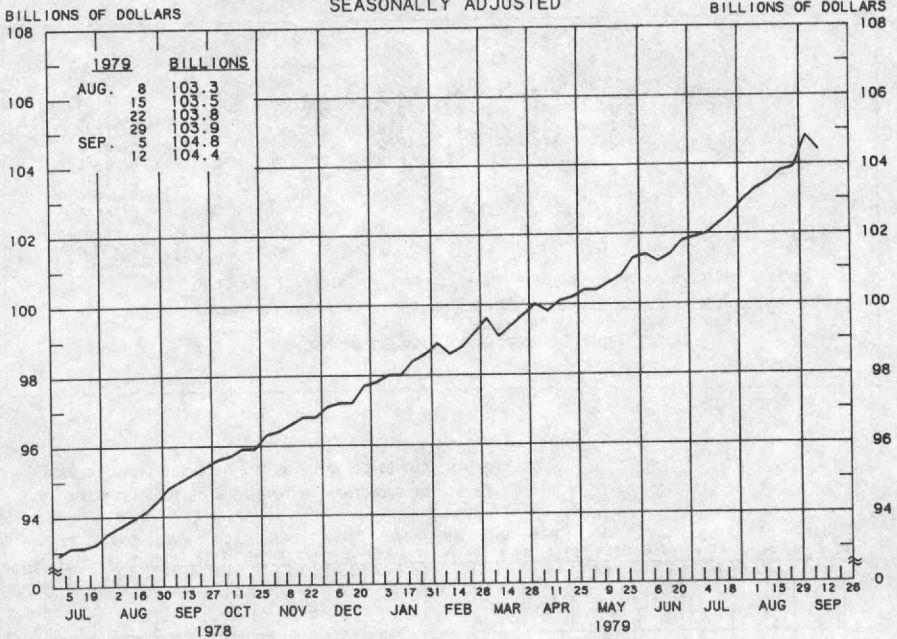
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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	-3.4							
3/14/79	-3.5	-6.5						
4/11/79	-2.4	-3.9	0.3					
5/9/79	0.6	1.3	8.4	15.5				
6/13/79	1.0	1.7	6.9	10.6	13.1			
7/11/79	2.1	3.2	8.1	11.3	13.2	7.6		
8/15/79	2.5	3.6	7.8	10.1	11.3	7.2	9.5	
9/12/79	3.0	4.2	7.9	10.0	10.9	7.6	9.3	7.5

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 12, 1979

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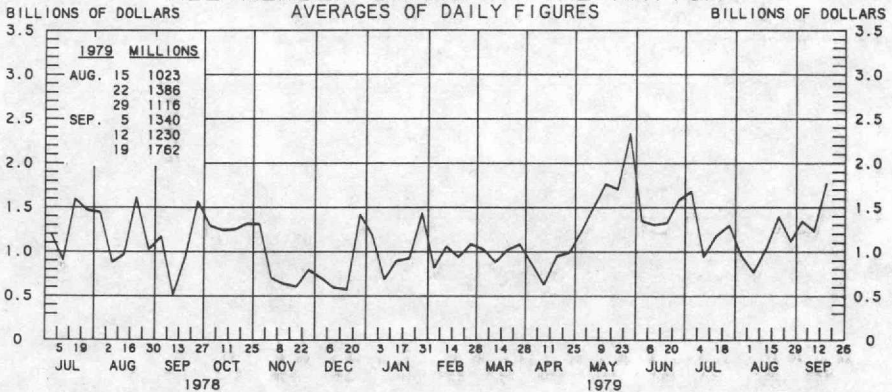
CURRENCY

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	10.3							
3/14/79	10.0	9.4						
4/11/79	9.5	8.8	7.5					
5/9/79	9.4	8.6	7.7	7.4				
6/13/79	9.4	8.8	8.3	8.3	9.0			
7/11/79	9.3	8.7	8.2	8.2	8.7	9.0		
8/15/79	9.8	9.5	9.3	9.5	10.2	10.8	11.3	
9/12/79	10.1	10.0	10.0	10.3	11.0	11.7	12.4	14.4

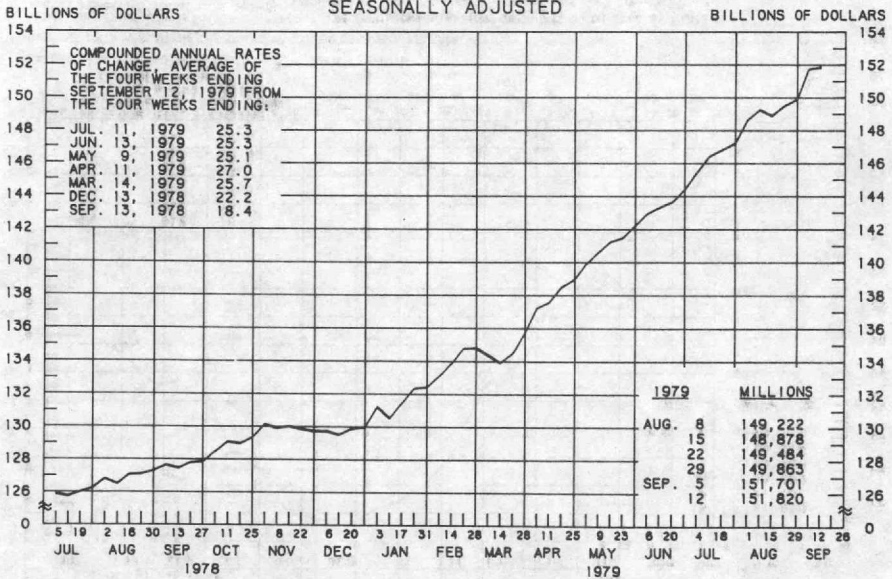
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 19, 1979

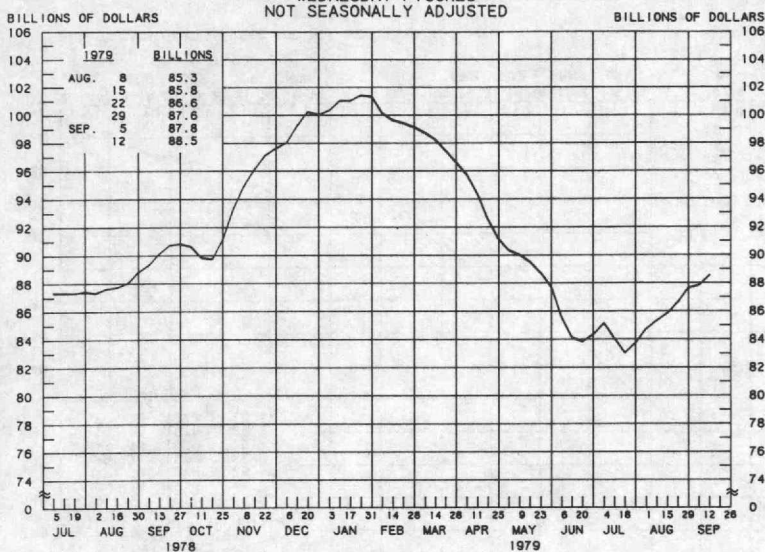
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 12, 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 12, 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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