



U.S. FINANCIAL DATA

Week ending: October 10, 1979

LIBRARY

In an effort to strengthen its control over the recent expansion of money and credit, the Federal Reserve on October 6 announced three major policy actions. The Federal Open Market Committee (FOMC) unanimously approved a change in operating procedures, placing greater emphasis on the supply of bank reserves--a major component of the adjusted monetary base--and less emphasis on confining short-term fluctuations in the federal funds rate. Under the new operating procedures, the Federal Reserve noted that wider day-to-day or week-to-week fluctuations in the federal funds rate may occur.

The Board of Governors also unanimously approved an increase in the discount rate from 11 percent to 12 percent. This is the fourth increase in the discount rate since late July 1979, and is the largest increase in this rate since November 1, 1978.

Finally, the Board established an 8 percent marginal reserve requirement on increases in "managed liabilities," which include large certificates of deposit, Eurodollar borrowings, repurchase agreements, and federal funds borrowing from nonmember institutions. The new reserve requirement applies to increases in the total of these managed liabilities above a base amount.

In response to these policy actions, short-term interest rates rose sharply. Large commercial banks raised the prime rate by 100 basis points to 14.50 percent. Interest rates on other short-term instruments--those with a term-to-maturity of one year or less--also increased dramatically (see pages 6 and 7). For example, both the prime commercial paper rate and the three-month Treasury bill rate increased by more than 100 basis points.

Prepared by Federal Reserve Bank of St. Louis

Released: October 12, 1979

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 10, 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.

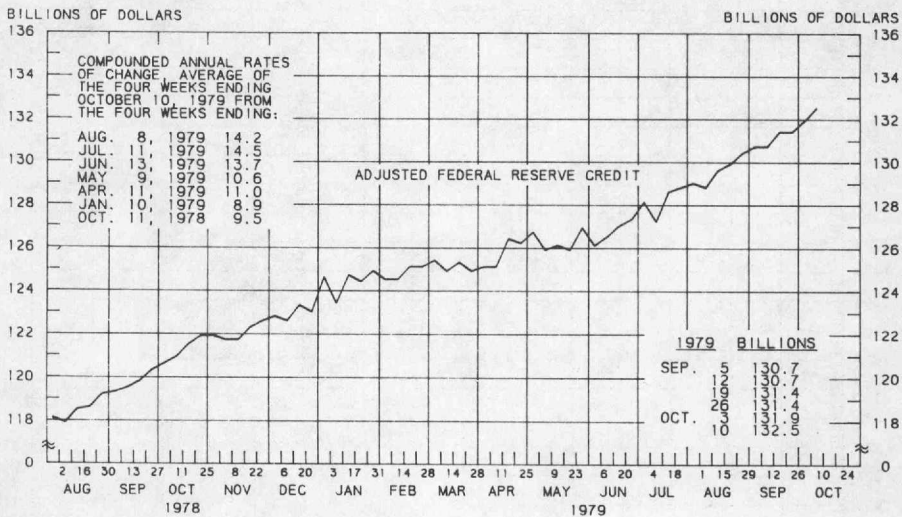
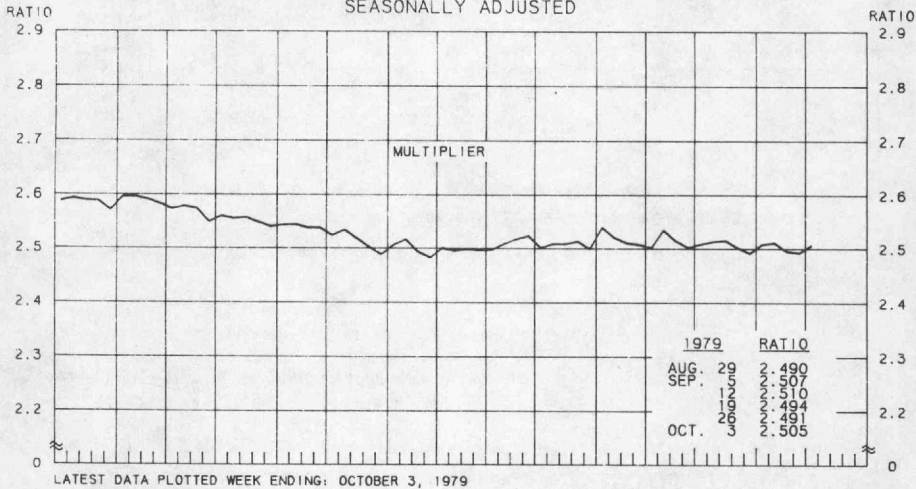
ADJUSTED MONETARY BASE

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	10/11/78	1/10/79	3/7/79	4/11/79	5/9/79	6/13/79	7/11/79	8/8/79
3/7/79		6.7						
4/11/79		5.8	4.0					
5/9/79		6.9	6.4	7.5				
6/13/79		6.2	5.4	5.5	7.4			
7/11/79		7.1	6.8	7.6	9.8	7.8		
8/8/79		7.4	7.3	8.1	9.9	8.5	12.7	
9/12/79		8.0	8.1	9.0	10.7	9.8	12.9	11.9
10/10/79		8.4	8.6	9.5	11.0	10.4	12.9	12.2
								13.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



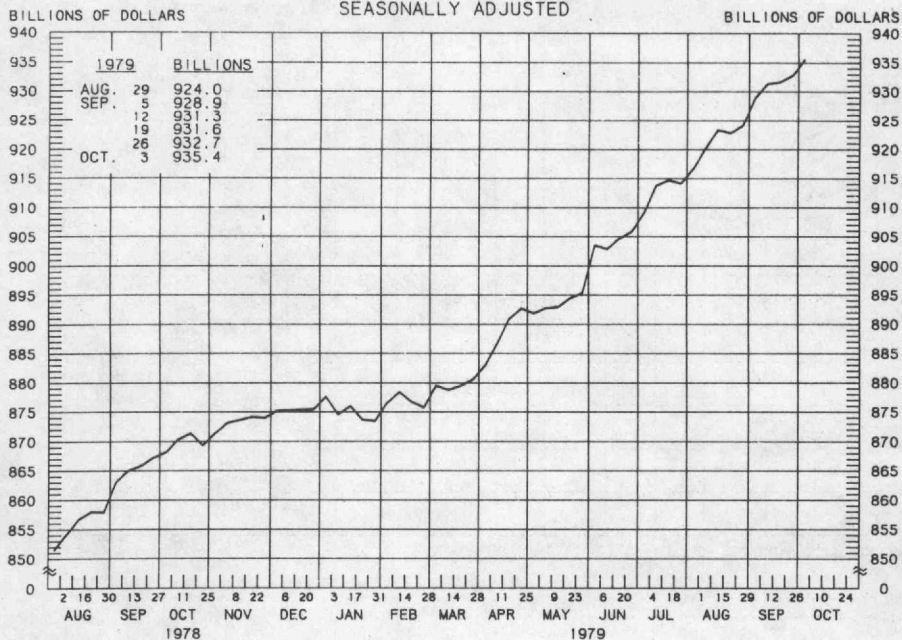
1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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: OCTOBER 3, 1979

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

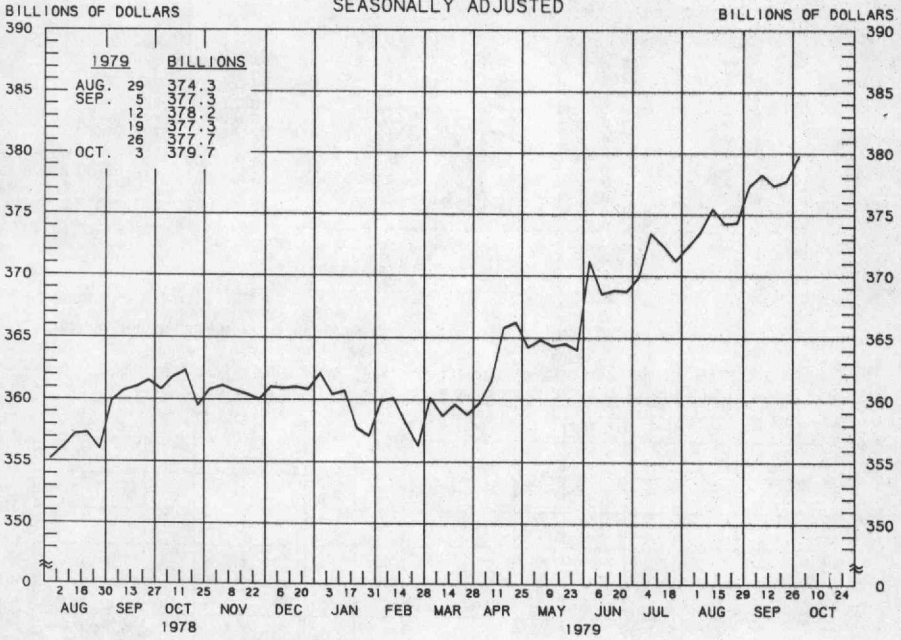
MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

	10/4/78	1/3/79	2/28/79	4/4/79	5/2/79	6/6/79	7/4/79	8/1/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/28/79	3.0							
4/ 4/79	3.2	2.1						
5/ 2/79	4.8	5.2	9.4					
6/ 6/79	5.2	5.6	8.6	11.0				
7/ 4/79	6.1	6.9	9.8	12.0	10.2			
8/ 1/79	6.8	7.8	10.5	12.4	11.3	14.0		
9/ 5/79	7.3	8.4	10.8	12.3	11.5	13.2	12.8	
10/ 3/79	7.7	8.8	10.9	12.3	11.6	12.9	12.6	12.0

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MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 3, 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)

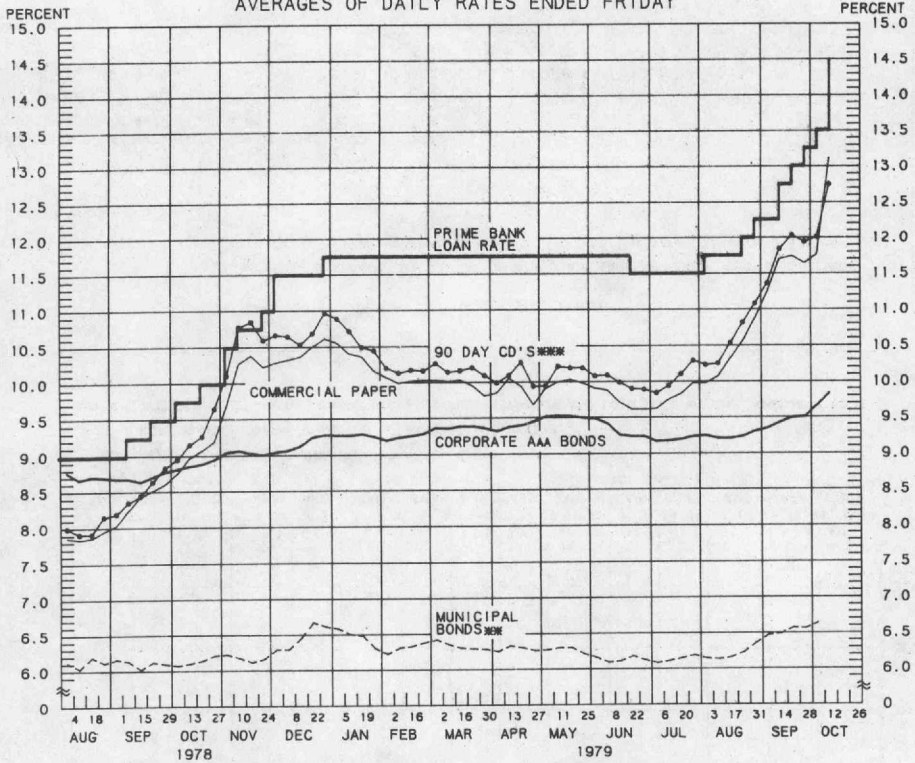
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE OF FOUR WEEKS ENDING:	10/4/78	1/3/79	2/28/79	4/4/79	5/2/79	6/6/79	7/4/79	8/1/79
2/28/79	-1.6							
4/4/79	-1.0	-2.2						
5/2/79	1.6	2.7	9.7					
6/6/79	2.1	3.2	7.9	11.4				
7/4/79	3.0	4.4	8.6	11.4	7.5			
8/1/79	3.8	5.4	9.3	11.6	9.0	11.7		
9/5/79	4.3	5.9	9.2	10.9	8.9	10.6	10.3	
10/3/79	4.8	6.3	9.3	10.9	9.2	10.6	10.4	9.5

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



1979	90 DAY CD'S <small>***</small>	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS <small>***</small>
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	11.82	9.49	6.57
28	11.94	11.64	11.69	9.50	6.56
OCT. 5	12.01	11.76	12.04	9.66	6.64
12 *	12.75	13.12	13.50	9.83	N.A.
19					
26					

* AVERAGES OF RATES AVAILABLE.

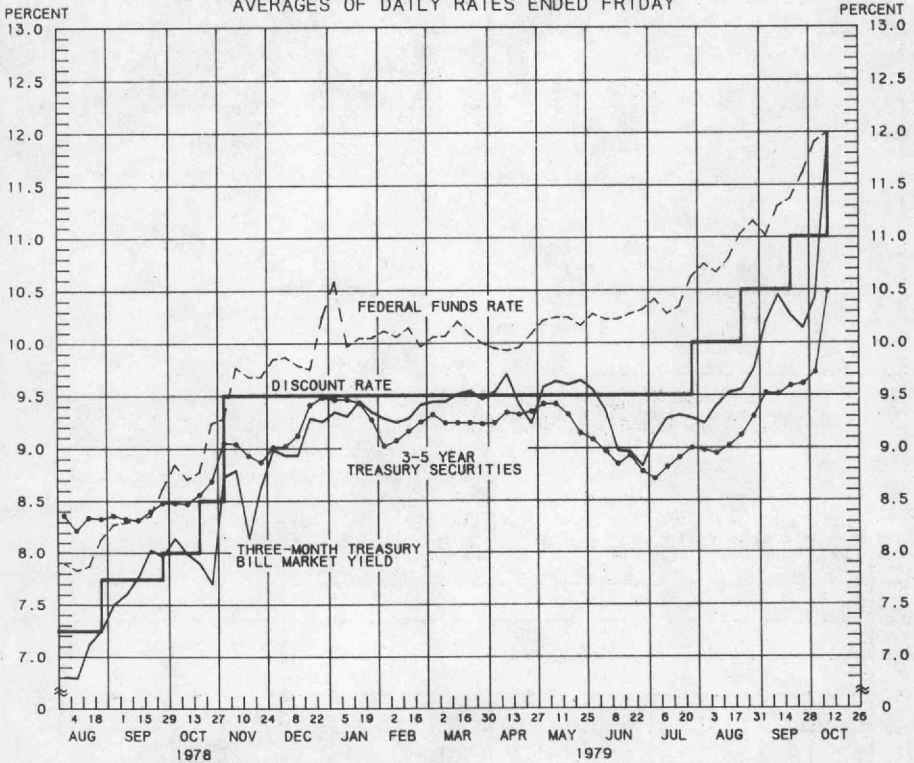
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS. THURSDAY DATA.

*** 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



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
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
SEP. 31	11.16	9.74	9.65	9.41	9.30	8.98
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	10.26	10.32	9.90	9.59	9.13
28	11.61	10.14	10.11	9.87	9.61	9.18
OCT. 5	11.91	10.43	10.33	10.07	9.72	9.31
12 *	12.00	11.92	10.66	11.36	10.49	9.70
19						
26						

* 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.

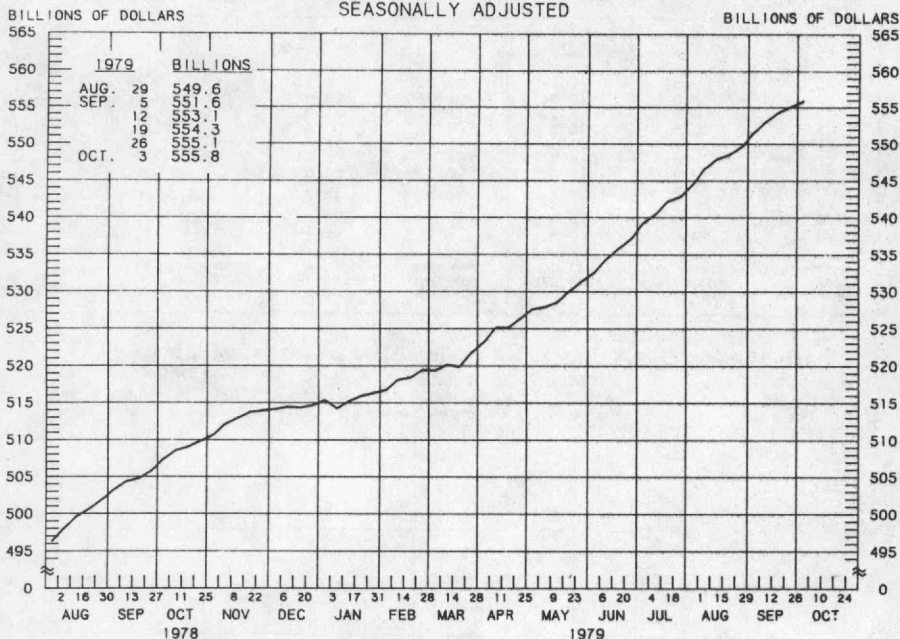
**** NEW ISSUE RATE

***** RATES ON LONG-TERM TREASURY SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.

***** TREASURY BILL YIELDS ON DISCOUNT BASIS.

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NET TIME DEPOSITS
ALL COMMERCIAL BANKS
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 3, 1979

CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.G. 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

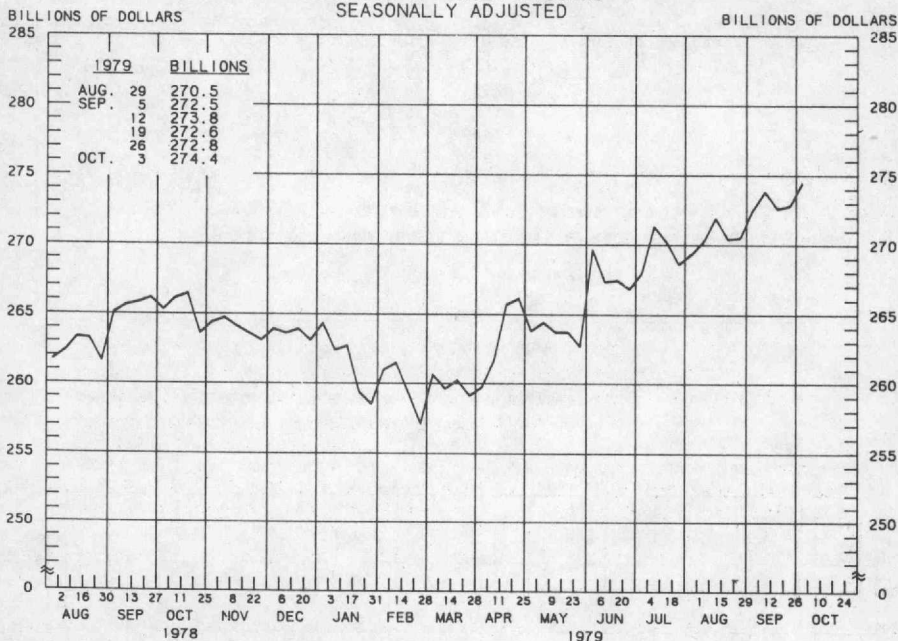
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	10/4/78	1/3/79	2/28/79	4/4/79	5/2/79	6/6/79	7/4/79	8/1/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/28/79	6.3							
4/ 4/79	6.3	5.1						
5/ 2/79	7.1	6.9	9.0					
6/ 6/79	7.5	7.5	9.2	10.9				
7/ 4/79	8.3	8.7	10.6	12.4	12.2			
8/ 1/79	8.9	9.5	11.4	13.0	13.2	15.5		
9/ 5/79	9.4	10.2	11.9	13.3	13.4	14.9	14.6	
10/ 3/79	9.7	10.5	12.1	13.2	13.3	14.5	14.1	13.6

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DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 3, 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:

	10/4/78	1/3/79	2/28/79	4/4/79	5/2/79	6/6/79	7/4/79	8/1/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/28/79	-5.5							
4/ 4/79	-4.5	-5.9						
5/ 2/79	-0.9	0.7	10.7					
6/ 6/79	-0.4	1.1	7.6	12.1				
7/ 4/79	0.9	2.8	8.8	12.4	7.0			
8/ 1/79	1.9	4.1	9.5	12.5	8.7	12.9		
9/ 5/79	2.3	4.3	8.8	10.9	7.8	10.0	8.7	
10/ 3/79	2.9	4.9	9.0	10.8	8.3	10.1	9.3	7.7

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 3, 1979

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

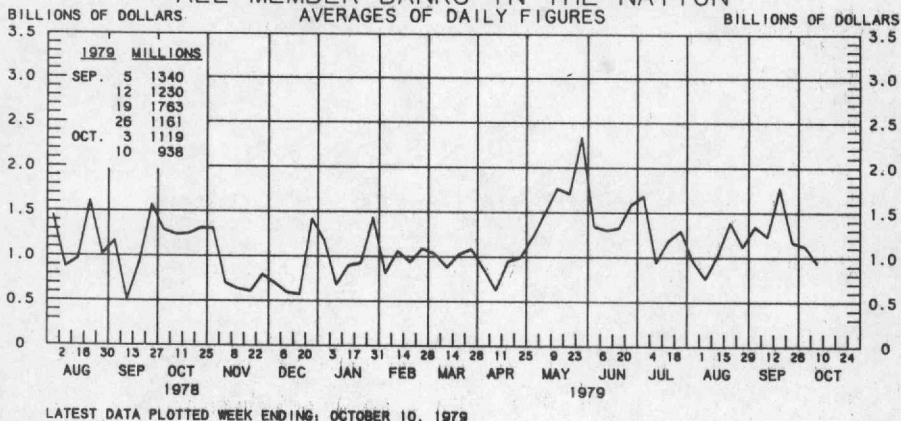
CURRENCY

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

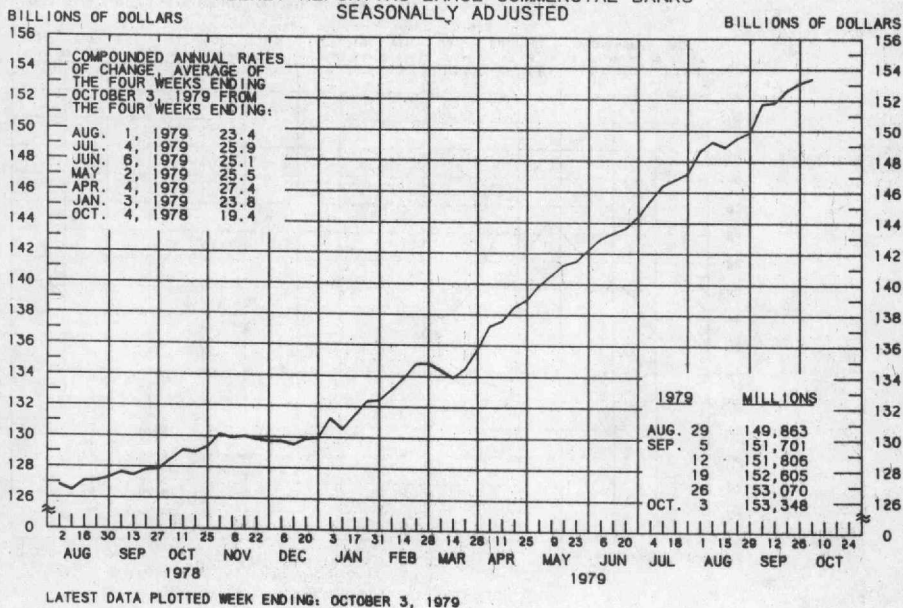
	10/4/78	1/3/79	2/28/79	4/4/79	5/2/79	6/6/79	7/4/79	8/1/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/28/79	9.6							
4/ 4/79	9.2	8.9						
5/ 2/79	8.9	8.4	7.2					
6/ 6/79	9.0	8.7	8.1	8.4				
7/ 4/79	8.9	8.6	8.1	8.3	9.0			
8/ 1/79	9.2	9.1	8.8	9.2	9.9	10.1		
9/ 5/79	9.9	10.1	10.2	10.8	11.7	12.4	14.4	
10/ 3/79	10.0	10.1	10.2	10.7	11.5	12.0	13.2	13.7

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BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

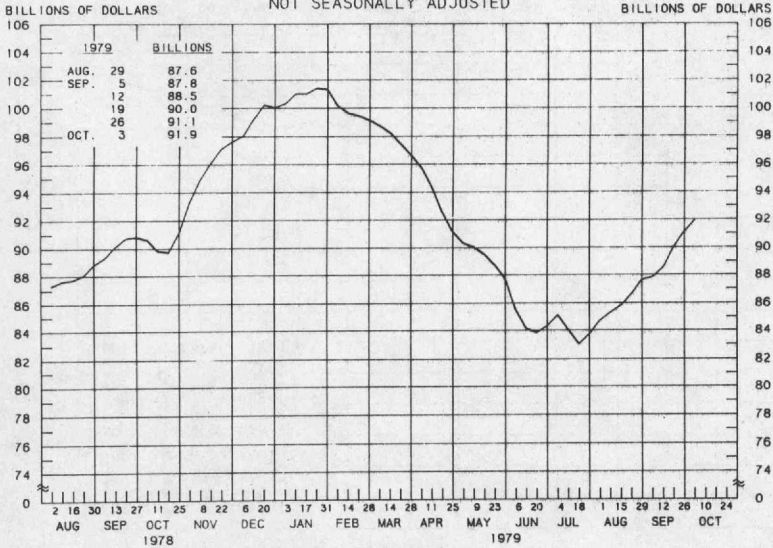


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CERTIFICATES OF DEPOSIT
 LARGE COMMERCIAL BANKS
 WEDNESDAY FIGURES
 NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 3, 1979

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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