



U.S. FINANCIAL DATA

Week ending: October 31, 1979

On October 25, 1979, the Federal Reserve announced a correction in the demand deposit component of the money stock reported for the weeks of October 3 and October 10. While small week-to-week revisions are common, last week's correction was unusually large because of a reporting error by a large New York bank. The correction lowered M1 by \$700 million for the week ending October 3 and by \$3 billion for the week ending October 10. This revision, however, did not substantially reduce the previously-reported growth rates of the monetary aggregates when measured for periods of three months or longer. For example, the growth of M1 from the four weeks ending July 11 to the four weeks ending October 10 was reduced from the previously-reported 10.7 percent rate to a 9.5 percent rate.

Beginning this past week (October 25-31), member banks and domestic Edge Act corporations were required to maintain reserves to meet the Federal Reserve's new 8 percent marginal reserve requirement on certain "managed liabilities."* This reserve requirement must be met by U.S. branches and agencies of foreign banks in the statement week of November 8-14. Under the lagged reserve accounting system, required reserves held in the current week are based on liabilities held two weeks earlier. The reserve requirement applies to the amount by which the total of certain managed liabilities exceeds a base amount of \$100 million or the average amount of such managed liabilities held as of the two statement weeks ending September 26, whichever is larger. Managed liabilities include short-term large certificates of deposit, Eurodollar borrowings, and short-term repurchase agreements and federal funds borrowings from nonmember institutions. In the statement week ending October 31, required reserves on these managed liabilities were \$356 million.

The adjusted monetary base published in this release includes an adjustment for changes in reserve requirements in order to avoid "breaks" in the monetary base series (reserves plus currency in circulation) that would otherwise occur. Because new reserve requirements reduce the amount of money and bank credit that a given amount of monetary base can support, the reserve adjustment magnitude (RAM) in the statement week ending October 31 includes a reduction of \$356 million for the amount of required reserves on managed liabilities.

Domestic Edge corporations, now subject to the new marginal reserve requirement, already were subject under Regulation K to reserve requirements on deposits. As of this week, the Board of Governors has reclassified these Regulation K reserves and included them with member bank reserves in "total reserves." This reclassification will revise data on total reserves and, consequently, will affect data on the adjusted monetary base. This revision has only small effects on the level and growth rates of the adjusted monetary base during the past year.**

* Edge Act and Agreement corporations are corporations formed to finance international commerce.

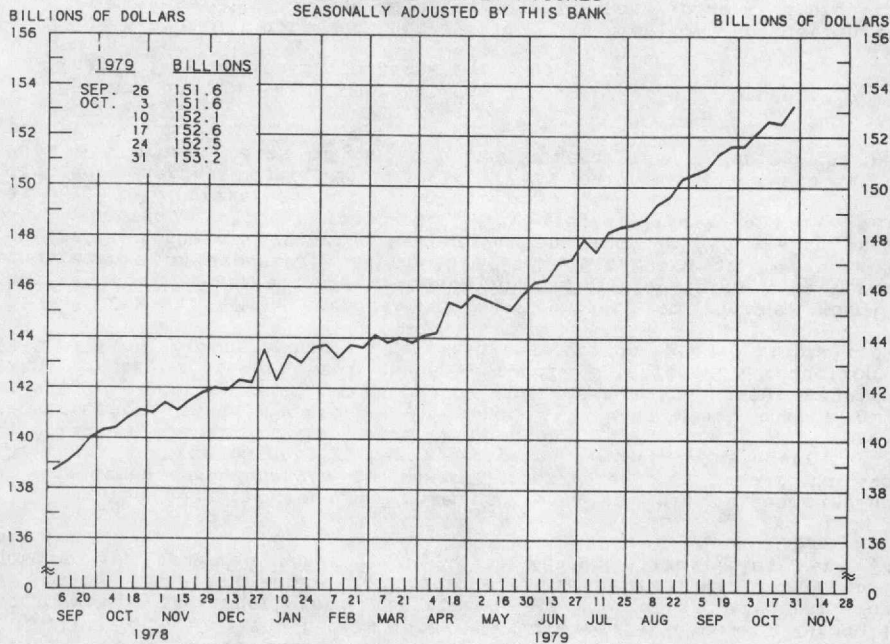
** Since historical data were not available in time for publication in this release, data on the adjusted monetary base (page 2) are on the "old" basis.

Prepared by Federal Reserve Bank of St. Louis

Released: November 2, 1979

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 31, 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.

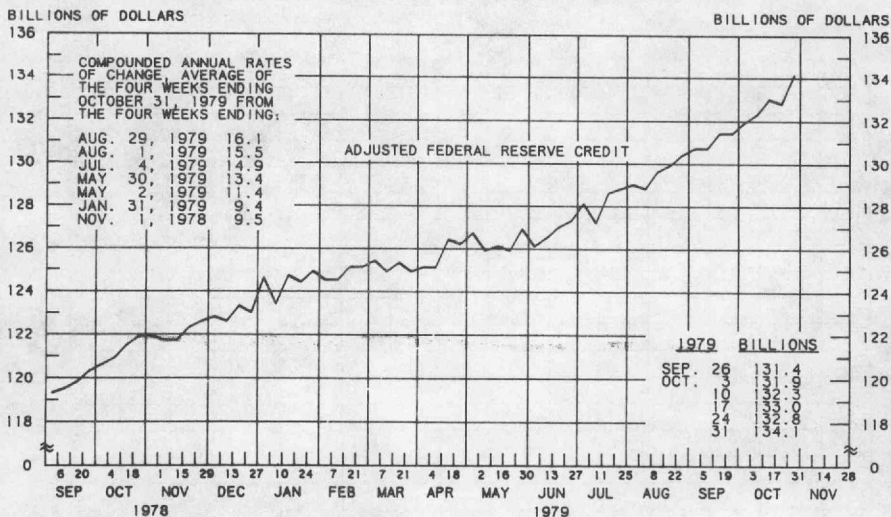
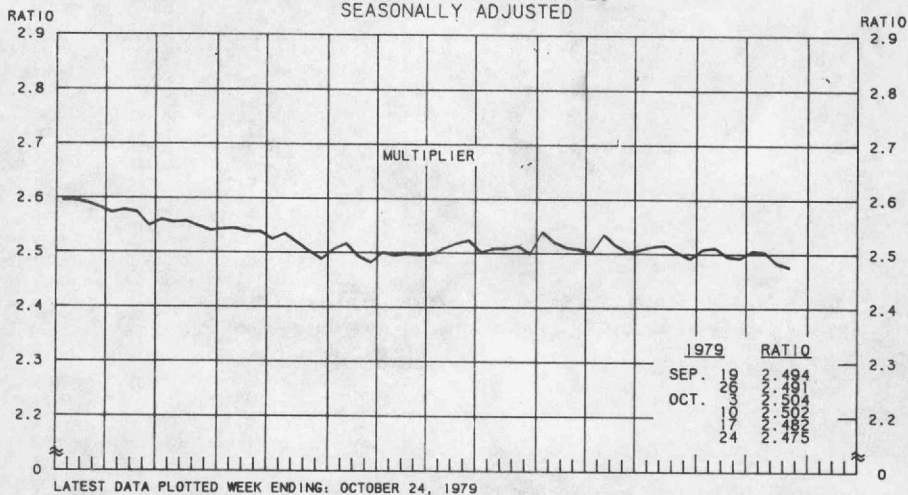
ADJUSTED MONETARY BASE

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

	11/1/78	1/31/79	3/28/79	5/2/79	5/30/79	7/4/79	8/1/79	8/29/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/28/79		5.5						
5/ 2/79		6.2	5.7					
5/30/79		5.7	5.0	6.2				
7/ 4/79		6.7	6.7	8.5	8.2			
8/ 1/79		7.0	7.1	8.7	8.5	11.2		
8/29/79		7.5	7.9	9.4	9.6	11.8	11.1	
10/ 3/79		8.1	8.6	10.1	10.4	12.2	11.9	13.1
10/31/79		8.4	8.9	10.3	10.6	12.1	11.9	12.7
								12.6

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



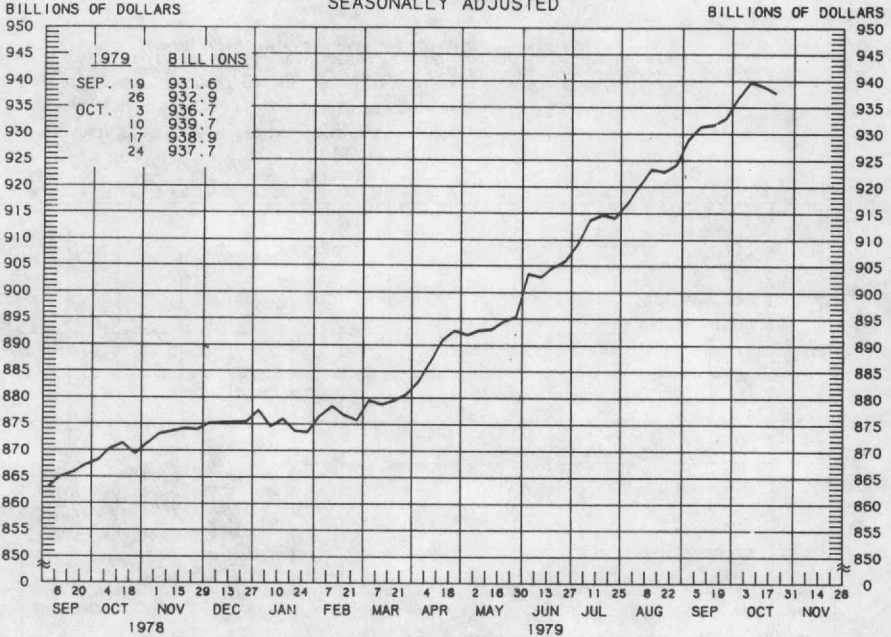
1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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



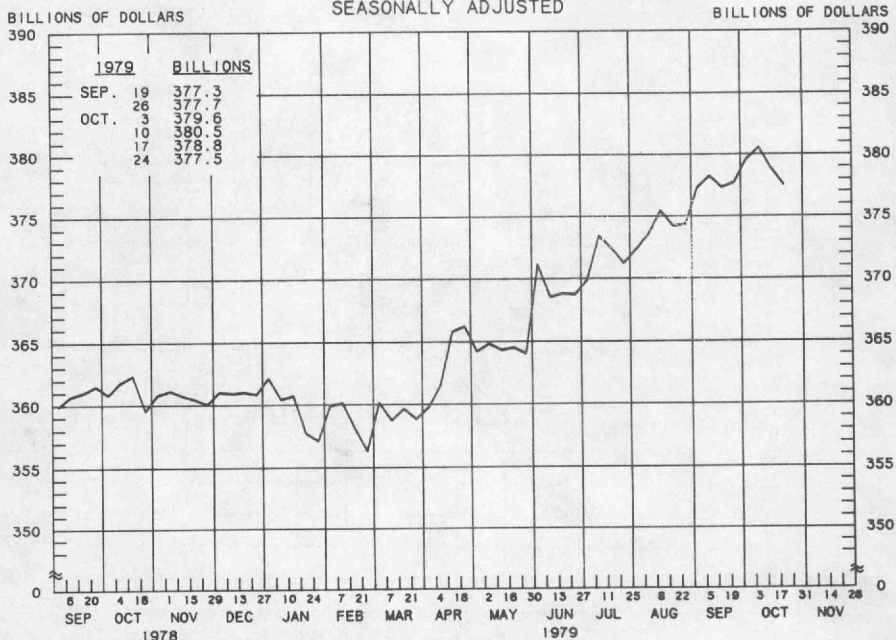
LATEST DATA PLOTTED WEEK ENDING: OCTOBER 24, 1979
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

MONEY STOCK PLUS NET TIME DEPOSITS (M2)									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
TO THE AVERAGE OF FOUR WEEKS ENDING:	10/25/78	1/24/79	3/21/79	4/25/79	5/23/79	6/27/79	7/25/79	8/22/79	
3/21/79		2.4							
4/25/79		4.3							
5/23/79		4.7	6.0						
6/27/79		5.9	6.3	10.1					
7/25/79		6.6	8.0	11.4	10.9				
8/22/79		7.1	8.7	11.8	11.5	13.5			
9/26/79		7.7	9.1	11.8	11.6	13.0	12.5		
10/24/79		7.9	9.6	11.9	11.8	12.9	12.5	12.2	
			9.7	11.7	11.6	12.4	12.0	11.7	11.6

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MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 24, 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)

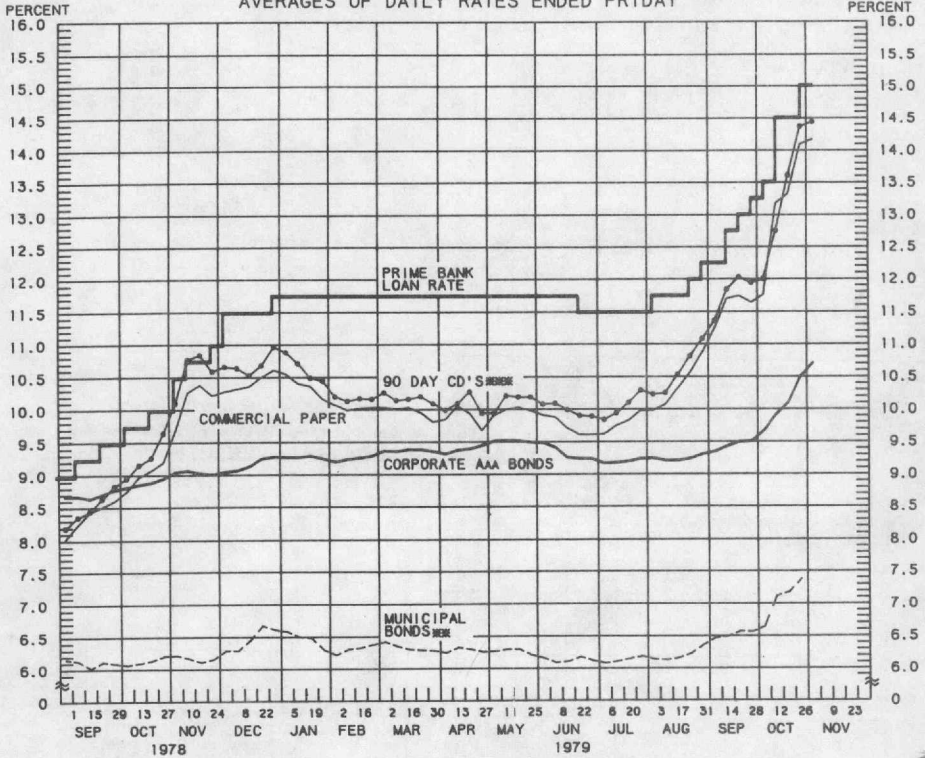
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	10/25/78	1/24/79	3/21/79	4/25/79	5/23/79	6/27/79	7/25/79	8/22/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/21/79		-1.6						
4/25/79		1.2	3.5					
5/23/79		1.6	3.7	9.7				
6/27/79		3.4	6.1	11.4	9.9			
7/25/79		3.9	6.5	10.8	9.6	12.0		
8/22/79		4.3	6.7	10.3	9.2	10.7	8.4	
9/26/79		5.0	7.3	10.4	9.6	10.7	9.3	9.5
10/24/79		5.0	7.1	9.7	8.9	9.7	8.3	8.2
								8.3

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



1979	90 DAY CD'S ^{INDEX}	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ^{INDEX}
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	13.18	13.49	9.91	7.12
19	13.61	13.32	13.59	10.09	7.18
26	14.37	14.10	14.32	10.50	7.38
NOV. 2 *	14.44	14.17	14.02	10.70	N.A.
9					
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

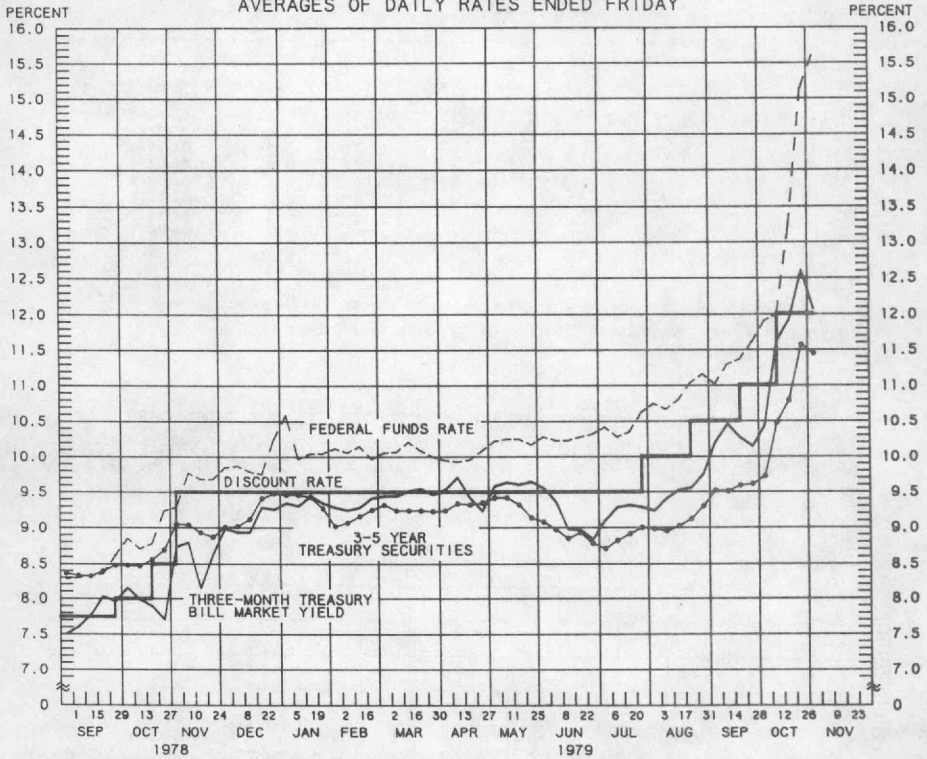
^{INDEX} BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

^{INDEX} SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN.

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: NOVEMBER 2, 1979

1979	FEDERAL FUNDS <small>***</small>	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL <small>***</small>	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	10.26	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	11.62	10.66	11.30	10.48	9.77
19	13.22	11.91	11.72	11.40	10.79	9.99
26	15.14	12.60	12.65	11.94	11.57	10.36
NOV. 2 <small>*</small>	15.61	12.07	12.19	11.64	11.45	10.31
16						
23						
30						

* 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.

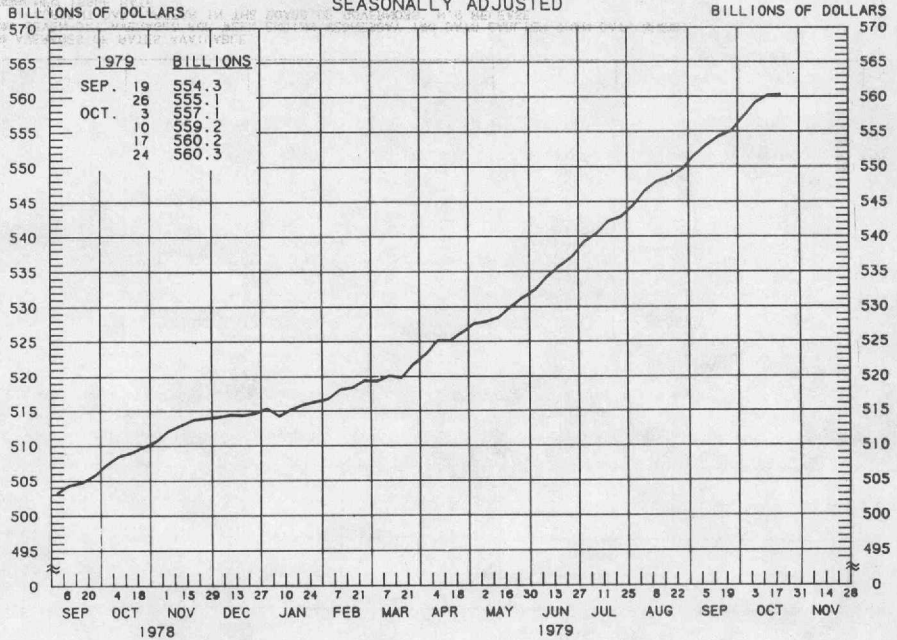
**** NEW ISSUE RATE

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



NET TIME DEPOSITS

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

10/25/78 1/24/79 3/21/79 4/25/79 5/23/79 6/27/79 7/25/79 8/22/79

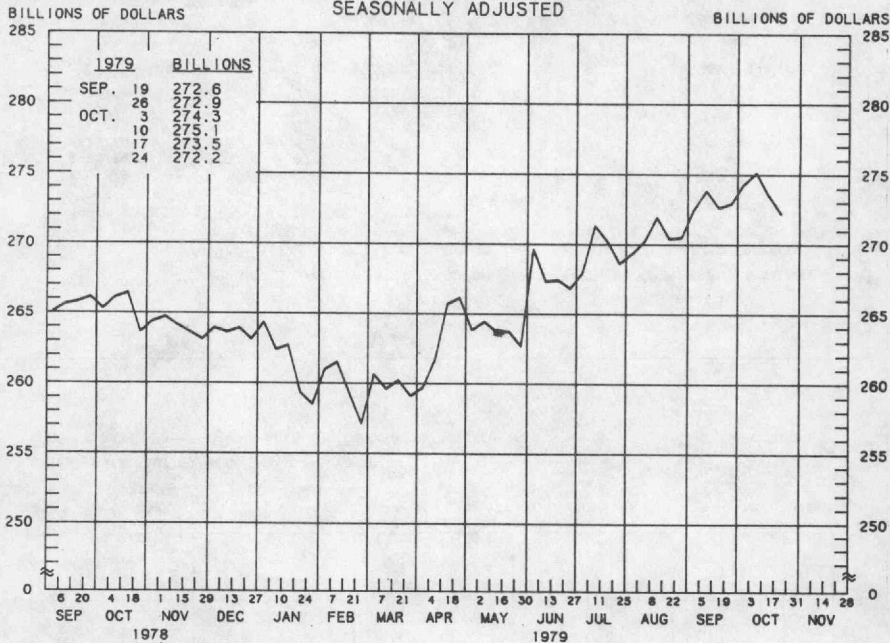
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/21/79	5.4							
4/25/79	6.5	7.7						
5/23/79	6.8	8.1	10.2					
6/27/79	7.7	9.3	11.3	11.5				
7/25/79	8.6	10.3	12.4	13.0	14.7			
8/22/79	9.2	10.9	12.8	13.4	14.7	15.5		
9/26/79	9.6	11.2	12.9	13.4	14.3	14.7	13.9	
10/24/79	9.9	11.5	13.1	13.5	14.3	14.6	14.0	13.7

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DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 24, 1979

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

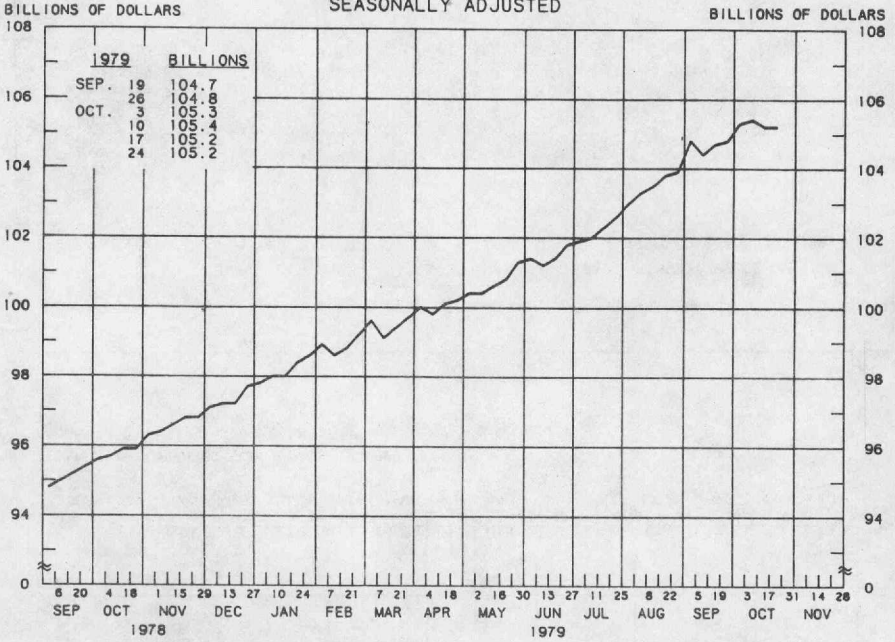
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

	10/25/78	1/24/79	3/21/79	4/25/79	5/23/79	6/27/79	7/25/79	8/22/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/21/79	-5.5							
4/25/79	-1.6	1.7						
5/23/79	-1.0	2.0	10.4					
6/27/79	1.3	5.1	12.6	10.3				
7/25/79	2.1	5.6	11.7	9.8	12.9			
8/22/79	2.3	5.6	10.4	8.6	10.4	6.7		
9/26/79	3.1	6.2	10.3	8.9	10.3	8.0	7.7	
10/24/79	3.2	5.9	9.5	8.1	9.1	7.0	6.5	7.3

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CURRENCY COMPONENT
OF MONEY STOCK
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

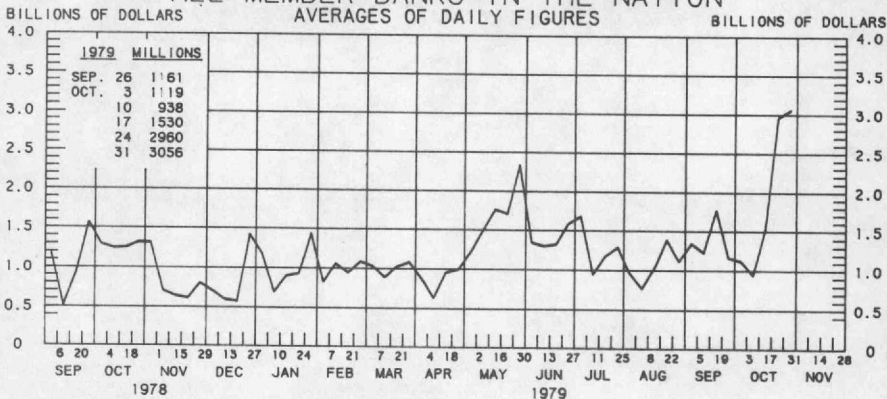


LATEST DATA PLOTTED WEEK ENDING: OCTOBER 24, 1979
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

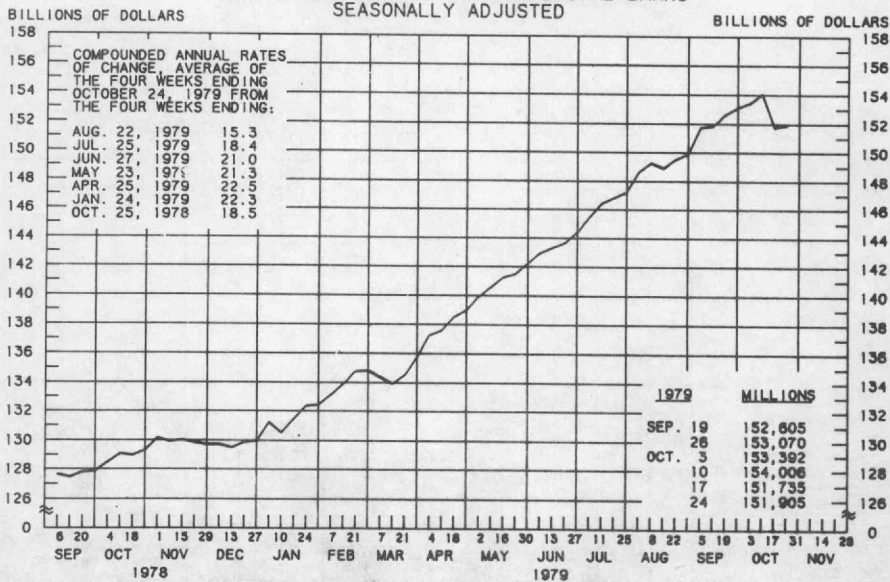
CURRENCY								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
	10/25/78	1/24/79	3/21/79	4/25/79	5/23/79	6/27/79	7/25/79	8/22/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/21/79	9.3							
4/25/79	9.0	8.0						
5/23/79	8.8	8.0	7.8					
6/27/79	9.0	8.4	8.5	9.0				
7/25/79	9.0	8.5	8.7	9.1	9.5			
8/22/79	9.7	9.5	10.0	10.8	11.6	12.8		
9/26/79	10.1	10.2	10.7	11.5	12.2	13.2	15.0	
10/24/79	9.9	9.9	10.3	10.9	11.4	11.9	12.7	11.1

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BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

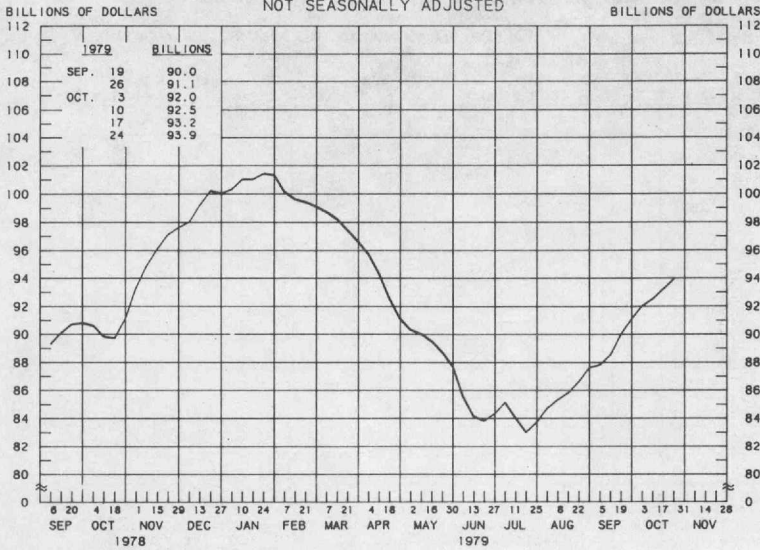


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



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 24, 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