



U.S. FINANCIAL DATA

Week ending: December 5, 1979

LIBRARY

NOV 24 1980

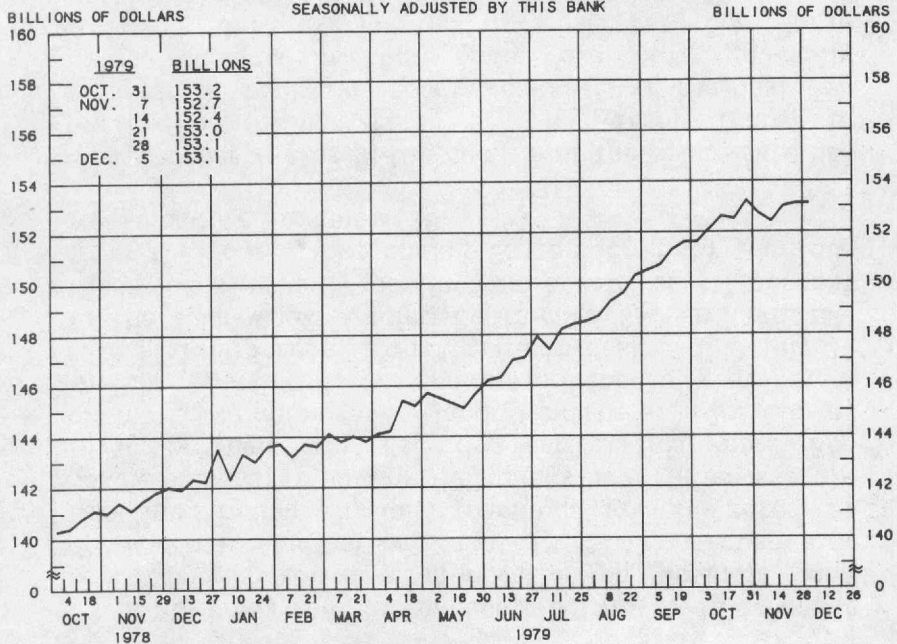
In the past week, most large commercial banks announced a reduction in their prime lending rate from 15-3/4 percent to 15-1/2 percent, while others lowered their prime rate to 15-1/4 percent. These reductions in the prime lending rate — the rate of interest charged to corporate borrowers with the highest credit rating — follow a series of increases over the last four months. Since the end of July, when the prime rate was 11.50 percent, the prime rate was raised 12 times — reaching an historic peak of 15-3/4 percent.

One important factor contributing to this recent reduction has been a moderation in business loan demand over the last two months. As a consequence of this moderation in loan demand, growth rates of business loans at commercial banks have fallen sharply from the high rates recorded earlier this year. For example, commercial and industrial loans at weekly-reporting large commercial banks grew at a rate of 26.0 percent from the four weeks ending July 25 to the four weeks ending September 26. In contrast, these loans actually declined at a rate of 3.7 percent from the four weeks ending September 26 to the four weeks ending November 28.

Another factor in the decline of the prime rate has been the falling costs of short-term funds to commercial banks in recent weeks. Over the past few years, changes in the prime rate have generally followed changes in the interest rate on large certificates of deposits (CDs). The 90-day CD rate has fallen by more than 100 basis points, in recent weeks, from a high of 14.71 percent in the week ending October 26 to 13.13 percent in the week ending December 7.

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 5, 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.

DATA DO NOT INCLUDE REGULATION K RESERVES OF EDGE ACT CORPORATIONS.

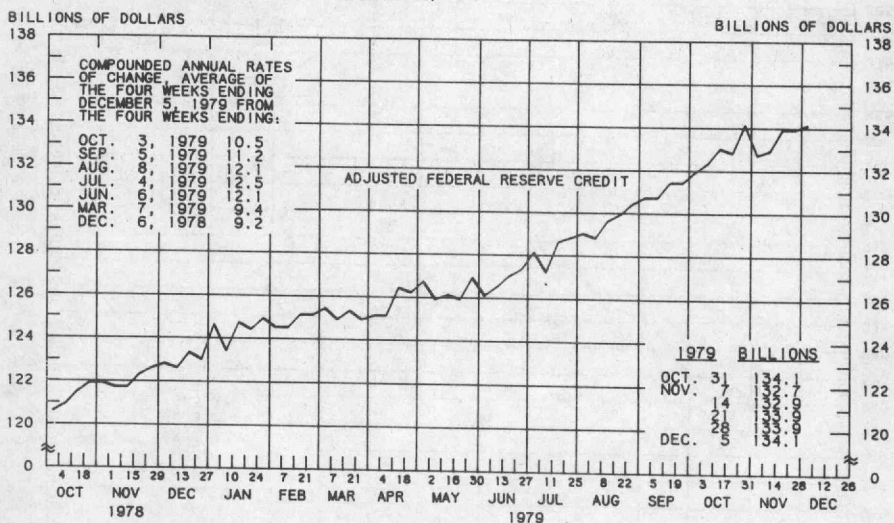
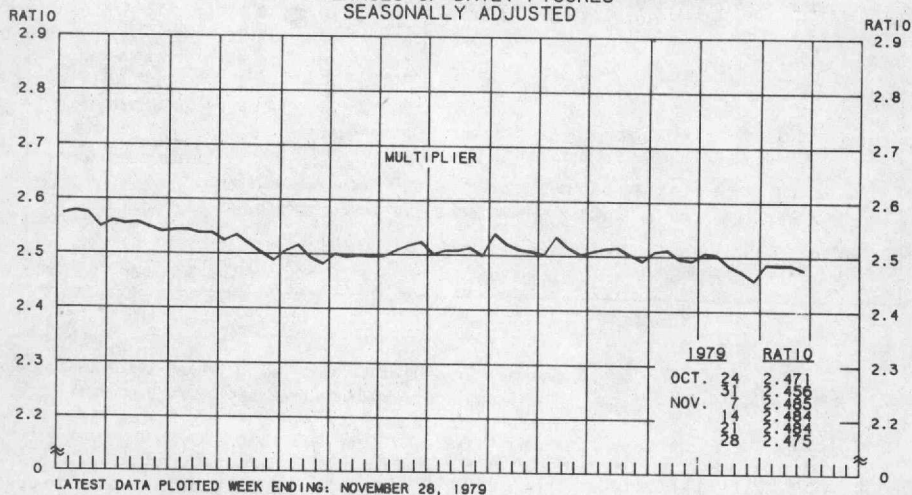
ADJUSTED MONETARY BASE

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

	12/6/78	3/7/79	5/2/79	6/6/79	7/4/79	8/8/79	9/5/79	10/3/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
5/ 2/79	6.2							
6/ 6/79	5.7	5.4						
7/ 4/79	6.8	7.4	8.2					
8/ 8/79	7.3	8.1	9.0	12.1				
9/ 5/79	7.9	8.8	9.9	12.3	11.5			
10/ 3/79	8.3	9.3	10.4	12.5	11.9	12.9		
11/ 7/79	8.6	9.6	10.5	12.1	11.6	12.1	11.7	
12/ 5/79	8.0	8.6	9.2	10.3	9.6	9.3	8.2	6.3

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



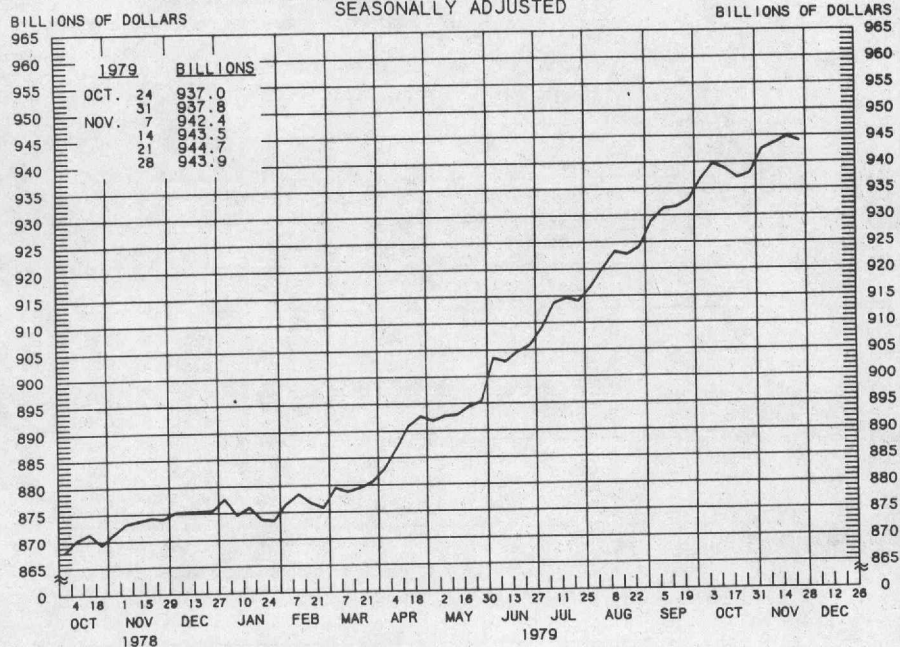
1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS NET TIME DEPOSITS (M2)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 28, 1979

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

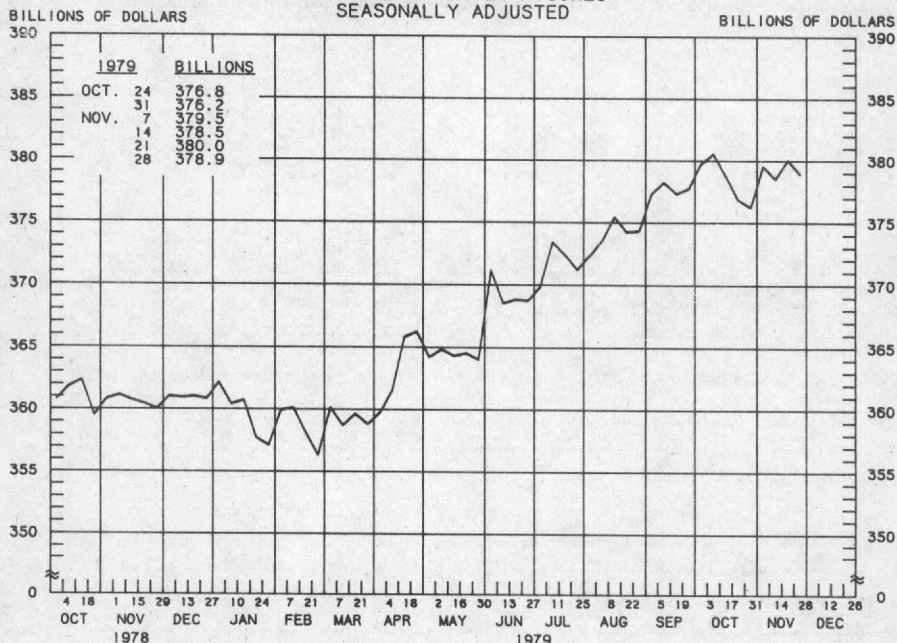
MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

	11/29/78	2/28/79	4/25/79	5/30/79	6/27/79	7/25/79	8/29/79	9/26/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/25/79	4.2							
5/30/79	4.7	8.0						
6/27/79	6.1	9.9	10.9					
7/25/79	6.9	10.5	11.5	14.7				
8/29/79	7.5	10.7	11.6	13.5	12.3			
9/26/79	8.0	11.0	11.8	13.4	12.5	12.2		
10/31/79	8.0	10.6	11.1	12.2	11.3	10.8	10.3	
11/28/79	8.0	10.3	10.7	11.5	10.6	10.1	9.5	7.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 28, 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)

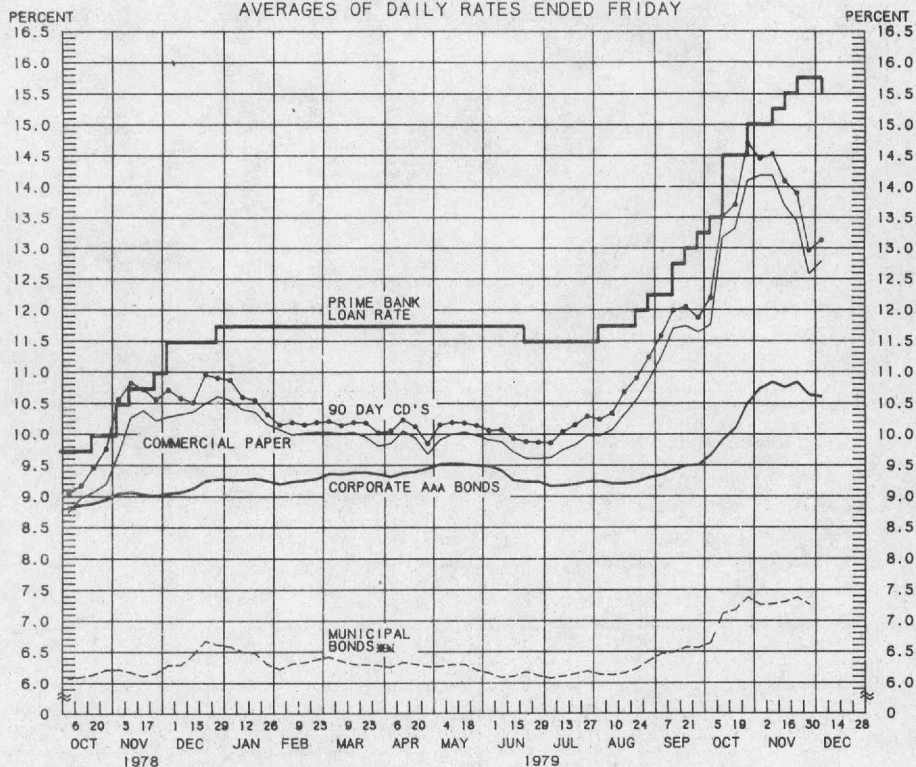
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	11/29/78	2/28/79	4/25/79	5/30/79	6/27/79	7/25/79	8/29/79	9/26/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/25/79		1.9						
5/30/79		2.1	6.6					
6/27/79		4.2	9.4	9.9				
7/25/79		4.7	9.3	9.6	13.8			
8/29/79		5.1	9.0	9.1	11.4	8.2		
9/26/79		5.7	9.4	9.6	11.5	9.3	9.5	
10/31/79		5.3	8.2	8.0	9.1	7.0	6.5	5.8
11/28/79		5.2	7.7	7.4	8.3	6.5	5.9	5.2
								2.5

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



1979	90 DAY CD'S	PRIME COMMERCIAL PAPER	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ^{***}
OCT. 5	12.19	11.76	12.04	9.66	6.64
12	13.52	13.18	13.49	9.91	7.12
19	13.71	13.32	13.59	10.09	7.18
26	14.71	14.10	14.32	10.50	7.38
NOV. 2	14.45	14.18 [#]	14.11	10.73	7.26
9	14.53	14.18	14.20	10.83	7.27
16	14.09	13.70	13.72	10.75	7.31
23	13.90	13.44	13.46	10.83	7.38
30	12.96	12.58	12.62	10.63	7.26
DEC. 7 * 14 21 28	13.13	12.78	12.78	10.60	N.A.

* AVERAGES OF RATES AVAILABLE.

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

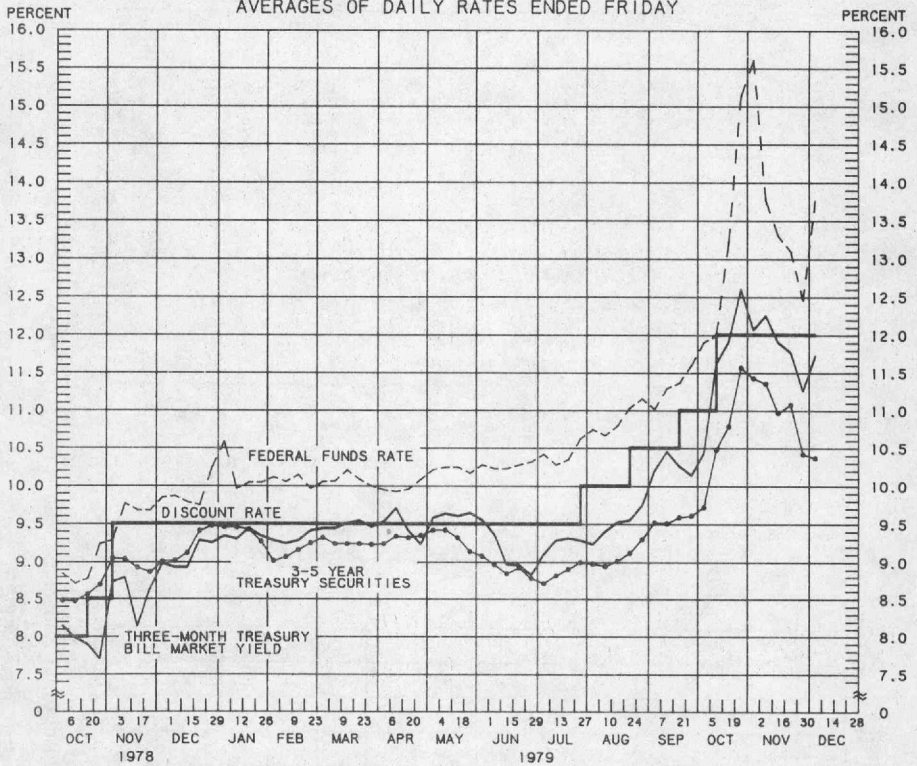
N.A. - NOT AVAILABLE

Beginning November 1, 1979, data are 4-month commercial paper rates.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SELECTED INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



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
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	15.61	12.07	12.19	11.65	11.43	10.36
9	13.77	12.25	12.09	11.66	11.36	10.47
16	13.30	11.90	11.95	11.12	10.97	10.34
23	13.10	11.77	12.04	11.25	11.08	10.31
30	12.46	11.26	11.02	10.74	10.42	9.97
DEC. 7 * 14 21 28	13.77	11.72	11.77	10.93	10.37	9.99

* AVERAGES OF RATES AVAILABLE.

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

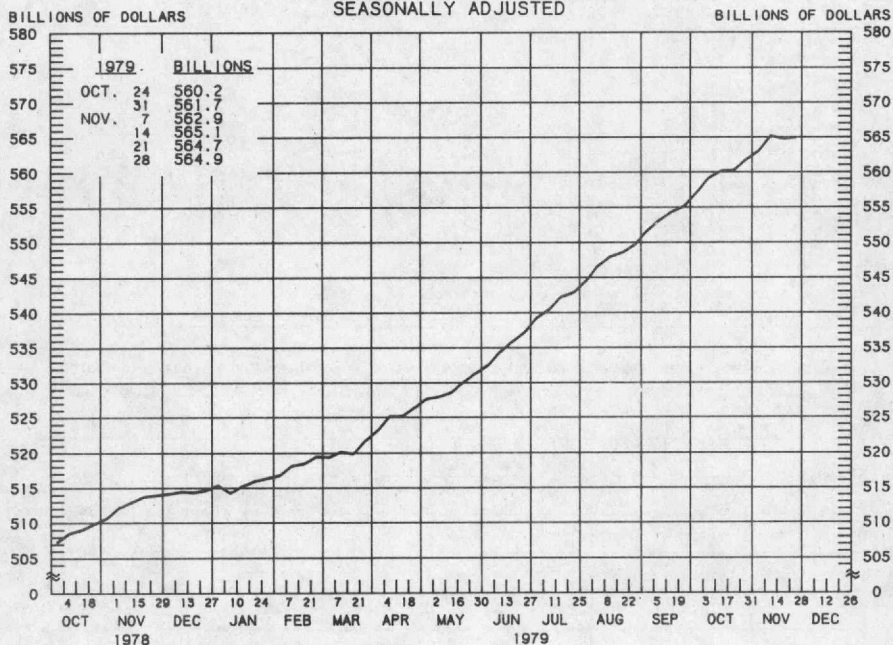
*** CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

**** 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: NOVEMBER 28, 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

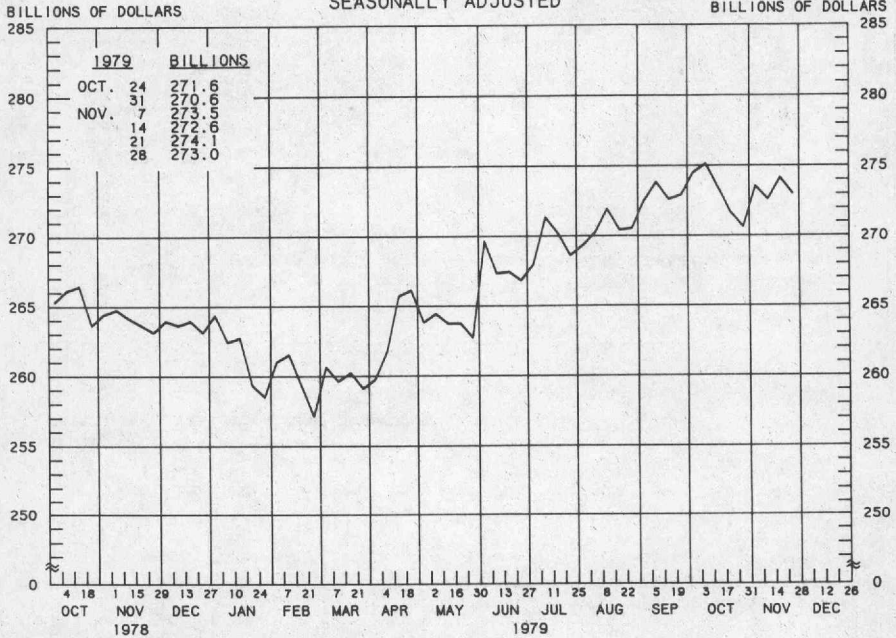
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	11/29/78	2/28/79	4/25/79	5/30/79	6/27/79	7/25/79	8/29/79	9/26/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/25/79	5.7							
5/30/79	6.4	8.9						
6/27/79	7.4	10.2	11.5					
7/25/79	8.5	11.4	13.0	15.4				
8/29/79	9.2	11.9	13.4	15.0	15.2			
9/26/79	9.6	12.1	13.4	14.6	14.7	13.9		
10/31/79	10.0	12.3	13.4	14.3	14.3	13.7	13.4	
11/28/79	10.0	12.1	12.9	13.7	13.5	12.9	12.4	11.9

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DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 28, 1979
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

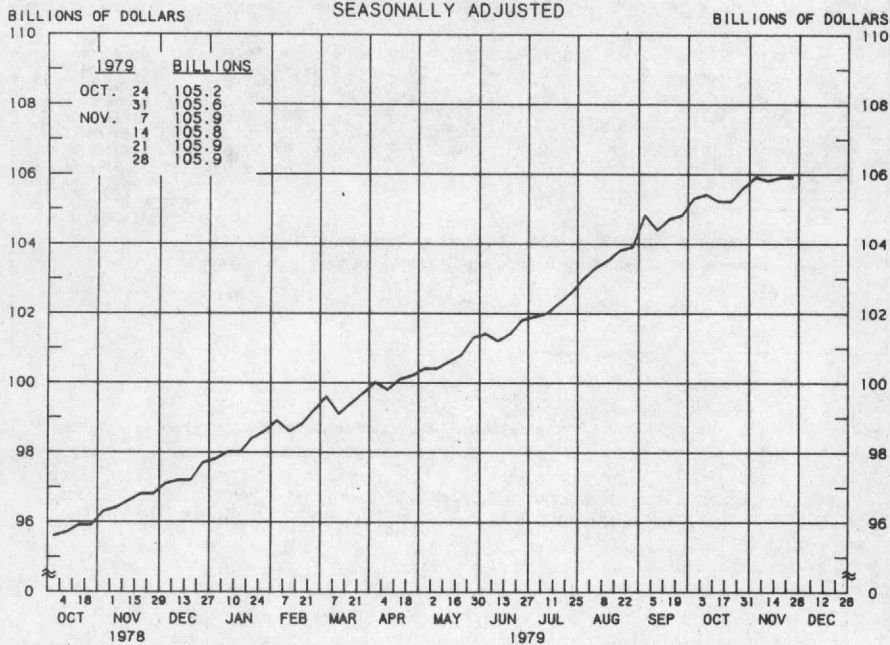
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	11/29/78	2/28/79	4/25/79	5/30/79	6/27/79	7/25/79	8/29/79	9/26/79
4/25/79	-0.6							
5/30/79	-0.2	6.1						
6/27/79	2.6	9.9	10.3					
7/25/79	3.3	9.6	9.8	15.5				
8/29/79	3.5	8.7	8.5	11.4	6.6			
9/26/79	4.2	9.0	8.9	11.3	8.0	7.7		
10/31/79	3.6	7.5	7.0	8.4	5.4	4.5	4.1	
11/28/79	3.6	7.0	6.5	7.5	4.9	4.1	3.7	0.6

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 28, 1979

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

CURRENCY

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

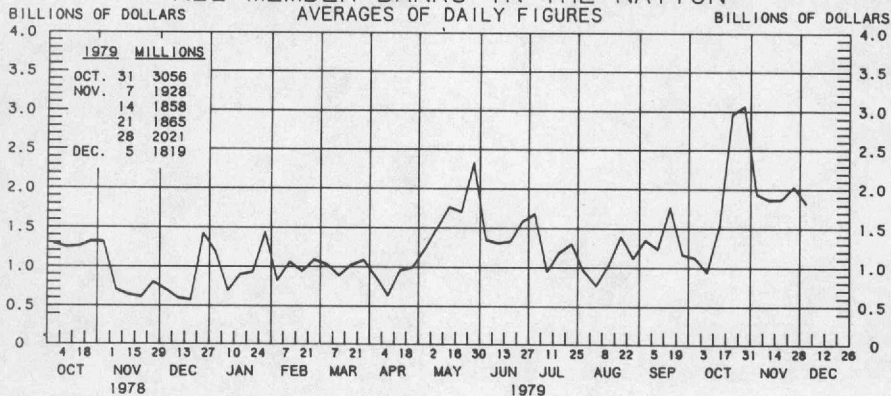
11/29/78 2/28/79 4/25/79 5/30/79 6/27/79 7/25/79 8/29/79 9/26/79

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/25/79	8.7							
5/30/79	8.7	7.9						
6/27/79	8.8	8.3	9.0					
7/25/79	8.8	8.5	9.1	9.4				
8/29/79	9.6	9.7	10.8	11.6	12.6			
9/26/79	10.1	10.4	11.5	12.3	13.2	15.0		
10/31/79	9.8	9.9	10.7	11.1	11.5	12.1	10.5	
11/28/79	9.5	9.5	10.1	10.4	10.6	10.8	9.2	6.8

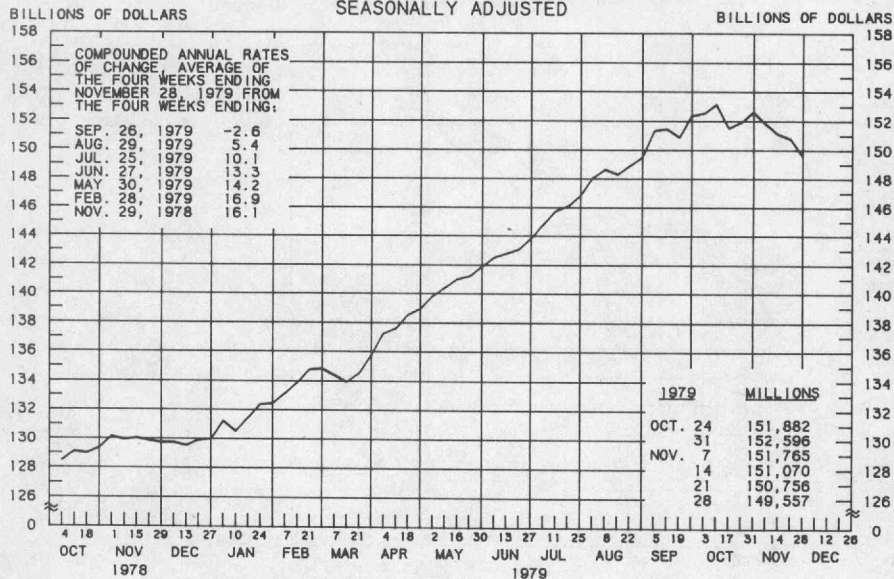
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 5, 1979

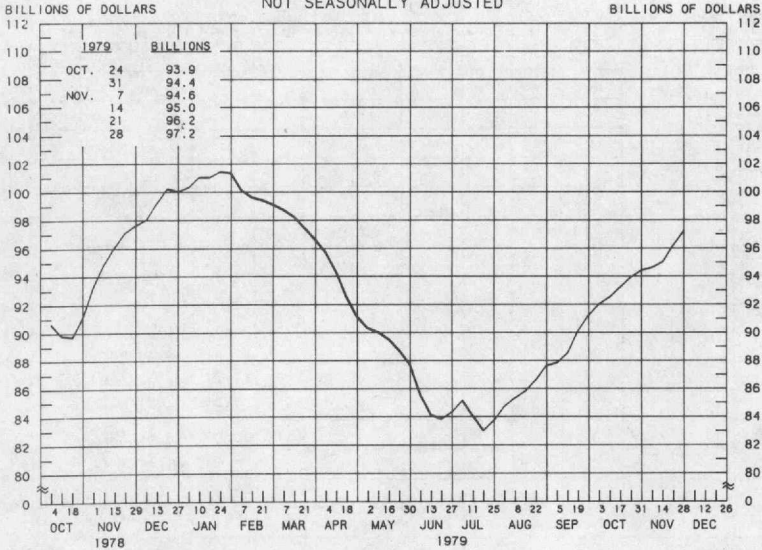
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 28, 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: NOVEMBER 28, 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