



Week ending: December 12, 1979

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NOV 1979

Negotiable time certificates of deposit (CDs) issued in denominations of \$100,000 or more have grown at nearly a 40 percent rate since late July. This sharp increase followed an equally sharp decline in the volume of large CDs during the first seven months of 1979. As a result, the present level of large CDs is approximately the same as a year ago.

The rapid growth of large CDs since July has continued in recent weeks in sharp contrast to the growth of savings and demand deposits (see table below). For instance, from the four weeks ending July 25 to the four weeks ending November 28, the demand deposit component of the money stock grew at a rate of only 4.1 percent. The savings deposit component of net time deposits has declined at a 10.1 percent rate over this same period. On the other hand, other time deposits\*, which include the rapidly growing money market certificates (MMCs), have grown much more rapidly than savings and demand deposits. For example, from the four weeks ending July 25 to the four weeks ending November 28, other time deposits have grown at a 30.6 percent rate.

One reason for these growth differentials is that interest rates on large CDs and MMCs are permitted to fluctuate with other market interest rates, while the interest rate on ordinary passbook savings deposits is restricted by Regulation Q ceilings. Consequently, as market interest rates have risen to record high levels over the past four months, individuals and corporations have found it more attractive to supply funds to banks in the form of large CDs and MMCs rather than other types of deposits.

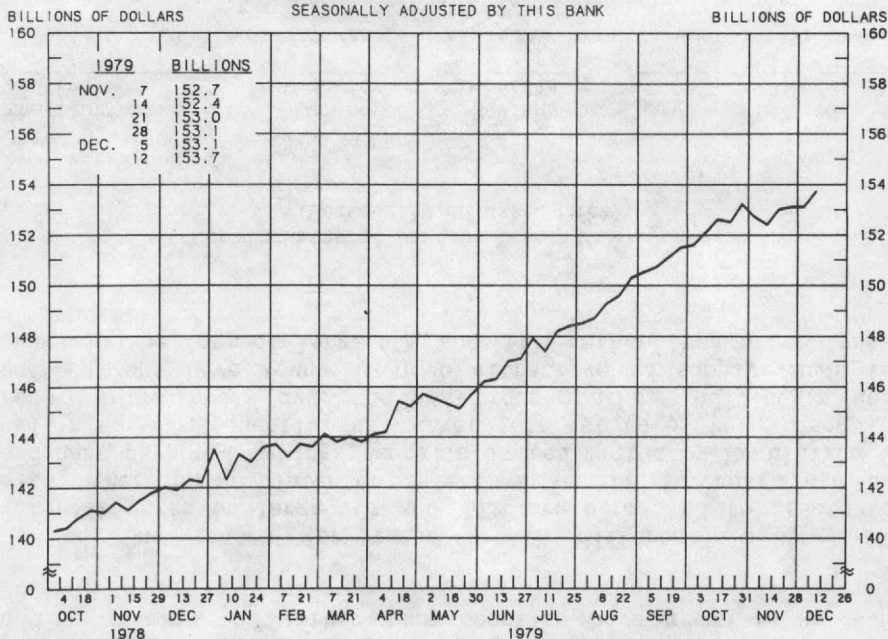
Growth Rates of Various Deposit Categories  
(Seasonally Adjusted Data)

Four weeks ending July 25, 1979 to the four weeks ending:	Demand Deposits	Savings Deposits	Large C Ds	Other Time Deposits*
September 26	7.7%	4.3%	23.9%	21.0%
October 31	4.5	- 3.3	32.7	26.6
November 28	4.1	-10.1	39.4	30.6

\* Other time deposits are net time deposits less savings deposits.

## ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 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.

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

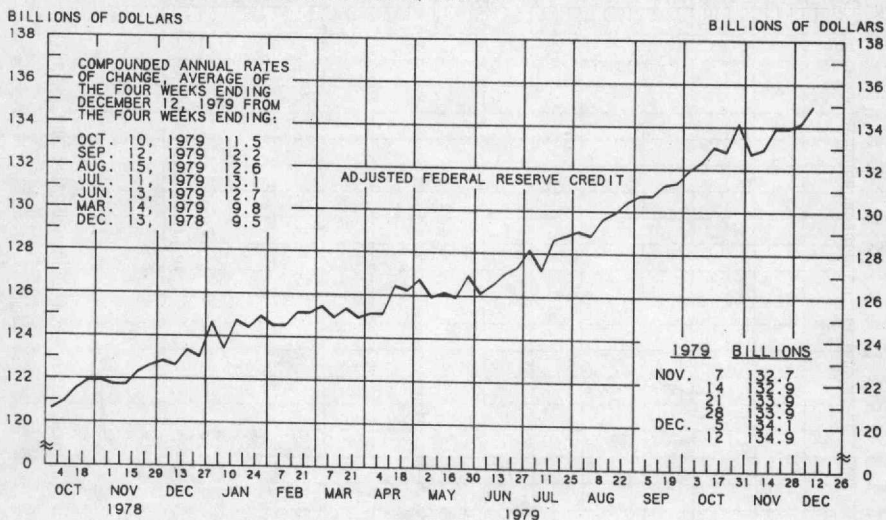
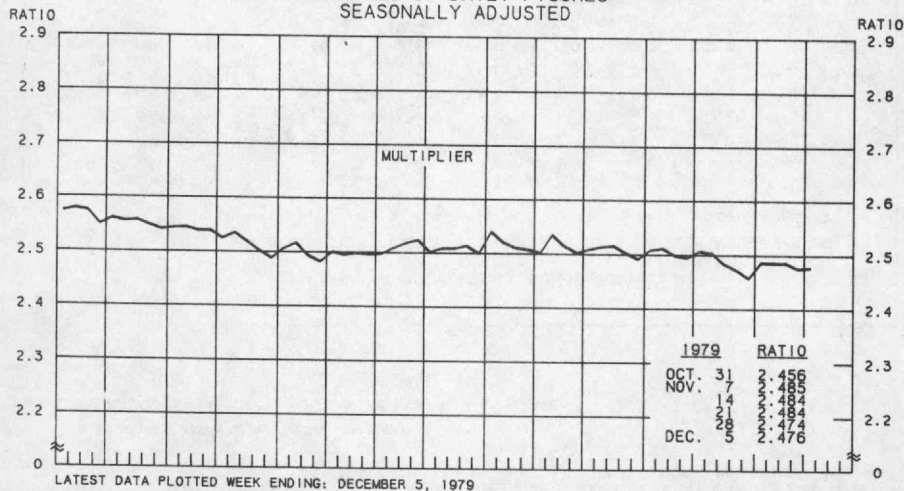
### ADJUSTED MONETARY BASE

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	12/13/78	3/14/79	5/9/79	6/13/79	7/11/79	8/15/79	9/12/79	10/10/79
5/ 9/79	6.6							
6/13/79	5.7	5.7						
7/11/79	6.9	7.9	7.8					
8/15/79	7.3	8.2	8.4	12.1				
9/12/79	8.1	9.2	9.8	12.9	11.9			
10/10/79	8.4	9.6	10.2	12.7	11.9	13.4		
11/14/79	8.4	9.3	9.7	11.5	10.7	11.2	9.6	
12/12/79	8.0	8.8	9.0	10.4	9.6	9.5	7.9	6.3

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MULTIPLIER <sup>1/</sup>  
 ADJUSTED FEDERAL RESERVE CREDIT <sup>2/</sup>  
 AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED



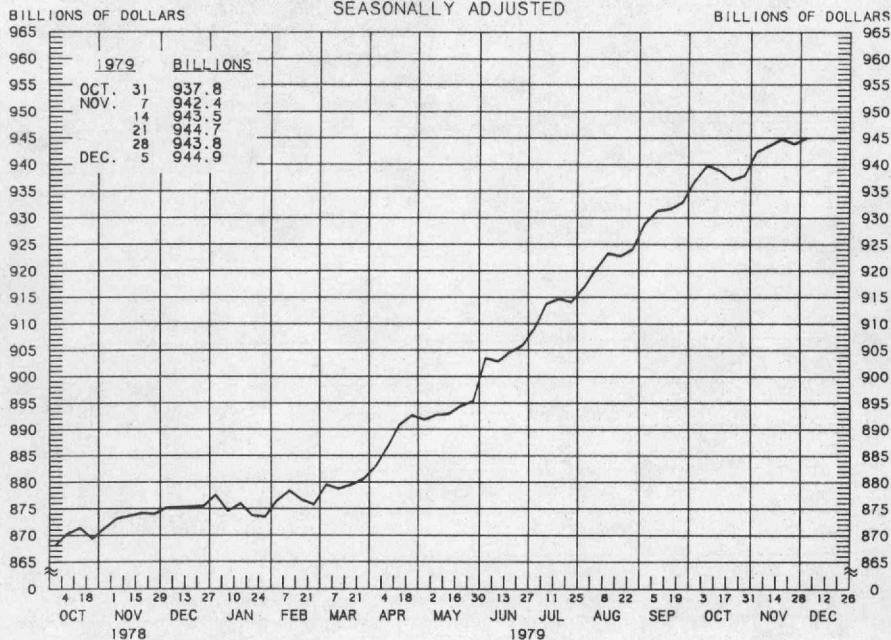
1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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: DECEMBER 5, 1979

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

## MONEY STOCK PLUS NET TIME DEPOSITS (M2)

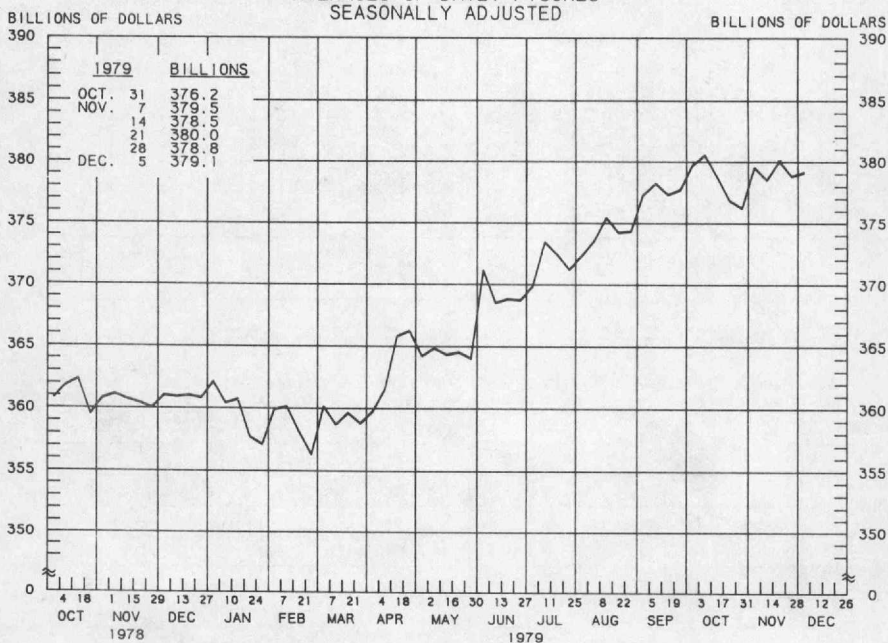
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	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	4.7							
6/ 6/79	5.2	8.9						
7/ 4/79	6.3	10.1	10.2					
8/ 8/79	7.2	10.8	11.2	13.5				
9/ 5/79	7.8	11.0	11.5	13.2	12.8			
10/ 3/79	8.2	11.2	11.7	13.0	12.7	12.5		
11/ 7/79	8.1	10.6	10.8	11.6	11.0	10.3	9.3	
12/ 5/79	8.0	10.3	10.3	10.9	10.4	9.6	8.7	7.1

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# MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 5, 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)

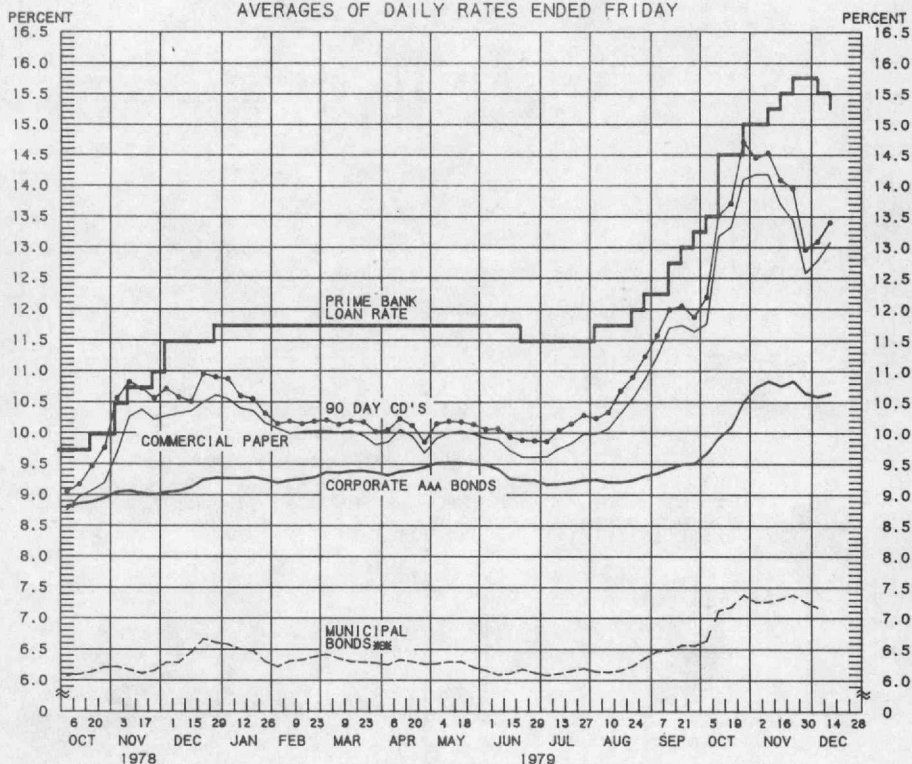
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	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	2.7							
6/ 6/79	3.1	8.4						
7/ 4/79	4.1	9.0	7.5					
8/ 8/79	4.9	9.3	8.4	10.5				
9/ 5/79	5.5	9.5	8.9	10.6	10.3			
10/ 3/79	6.0	9.6	9.2	10.6	10.4	10.6		
11/ 7/79	5.2	8.0	7.2	7.8	7.0	5.9	3.9	
12/ 5/79	5.2	7.7	6.9	7.3	6.6	5.6	4.1	1.4

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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 <sup>***</sup>
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
NOV. 26	14.71	14.10	14.32	10.50	7.38
2	14.45	14.18 <sup>#</sup>	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	13.95	13.44	13.46	10.83	7.38
30	12.96	12.58	12.62	10.63	7.26
DEC. 7	13.09	12.79	12.83	10.58	7.17
14 *	13.40	13.07	13.40	10.63	N.A.
21					
28					

\* AVERAGES OF RATES AVAILABLE.

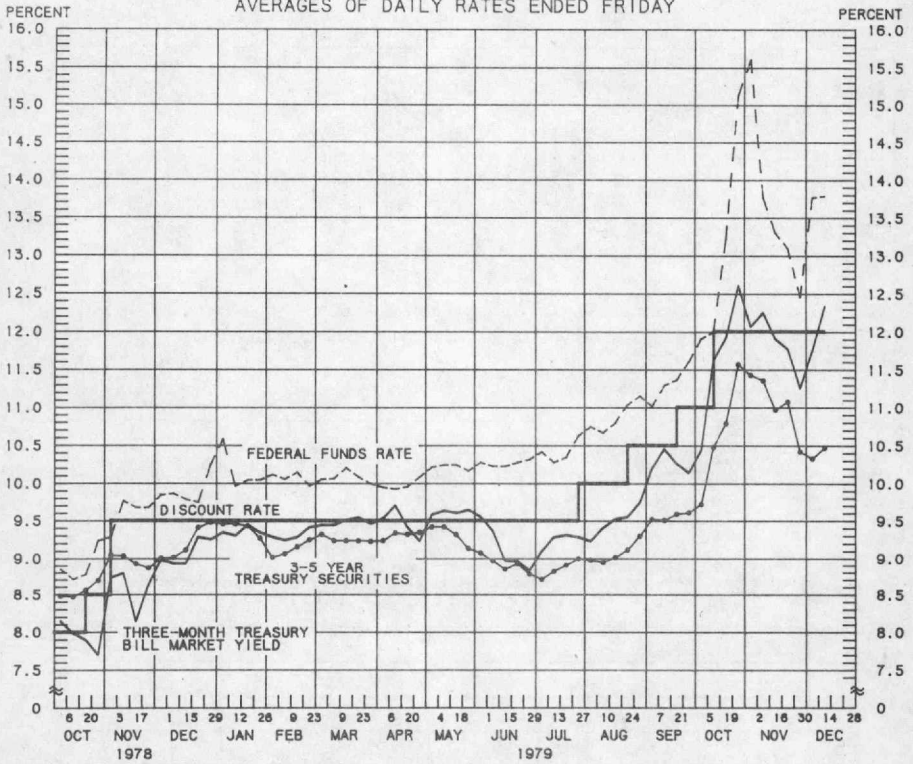
\*\* BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

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 RATE	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	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	10.36	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	13.77	11.75	11.77	10.86	10.33	9.97
14 *	13.79	12.33	11.77	11.10	10.47	10.12
21						
28						

\* AVERAGES OF RATES AVAILABLE.

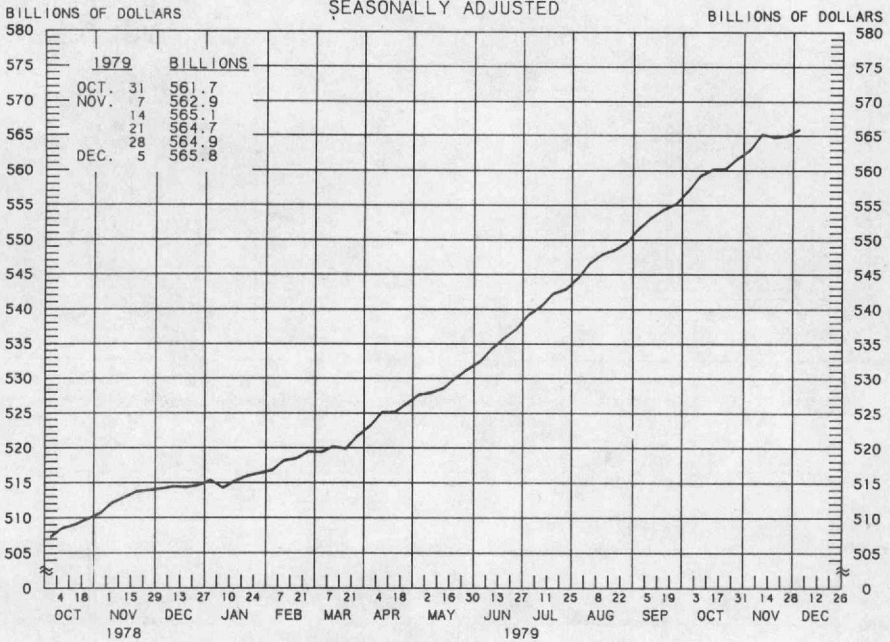
† SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

‡ 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: DECEMBER 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:

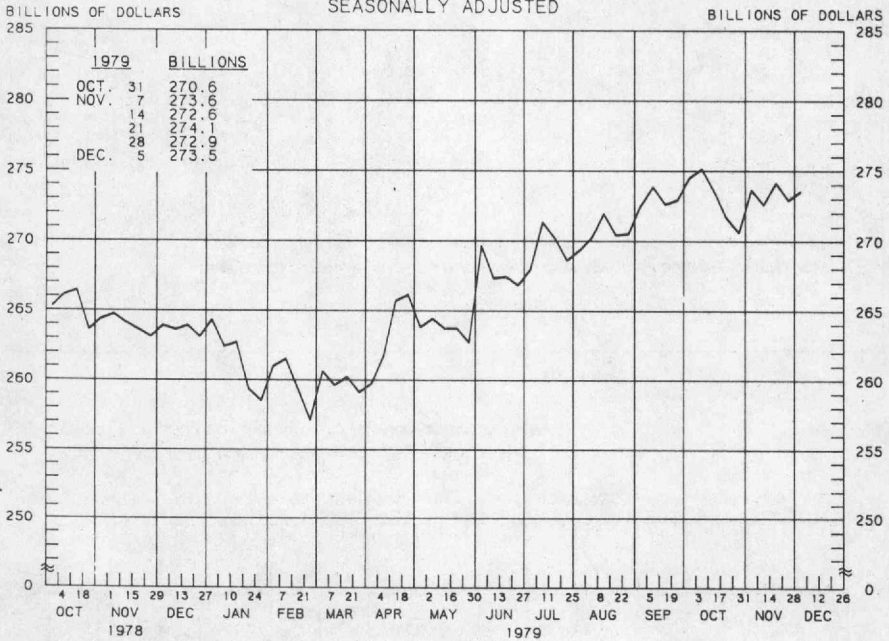
	12/6/78	3/7/79	5/2/79	6/6/79	7/4/79	8/8/79	9/5/79	10/3/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
5/ 2/79	6.0							
6/ 6/79	6.7	9.4						
7/ 4/79	7.9	10.9	12.2					
8/ 8/79	8.9	11.9	13.3	15.5				
9/ 5/79	9.4	12.1	13.4	14.9	14.6			
10/ 3/79	9.8	12.4	13.5	14.7	14.4	13.8		
11/ 7/79	10.1	12.4	13.3	14.2	13.8	13.3	13.1	
12/ 5/79	10.0	12.1	12.8	13.4	13.0	12.3	11.9	11.1

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# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 5, 1979

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

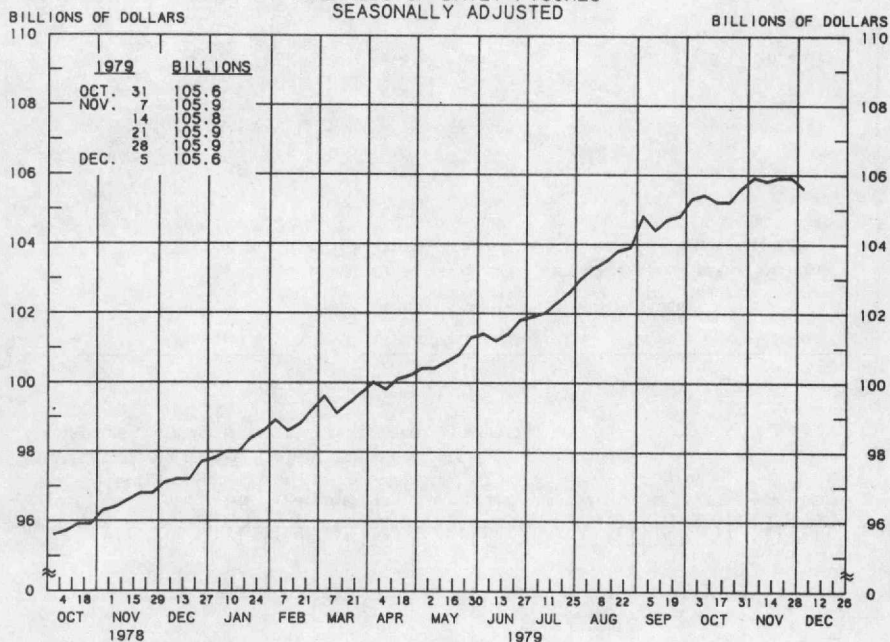
## DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

	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	0.6							
6/ 6/79	0.9	8.4						
7/ 4/79	2.4	9.5	7.0					
8/ 8/79	3.3	9.3	7.7	10.7				
9/ 5/79	3.9	9.2	7.8	10.0	8.7			
10/ 3/79	4.5	9.5	8.4	10.3	9.4	9.8		
11/ 7/79	3.5	7.4	5.9	6.7	5.4	4.1	2.1	
12/ 5/79	3.6	7.1	5.8	6.4	5.3	4.3	3.0	-0.4

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CURRENCY COMPONENT  
OF MONEY STOCK  
AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 5, 1979

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

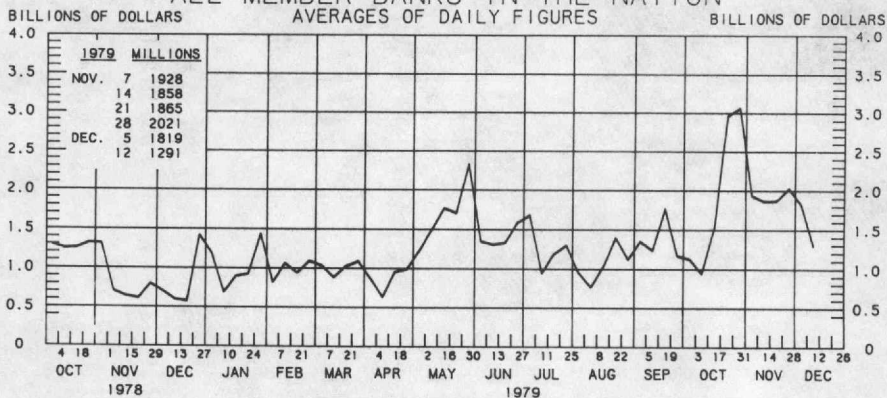
CURRENCY

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

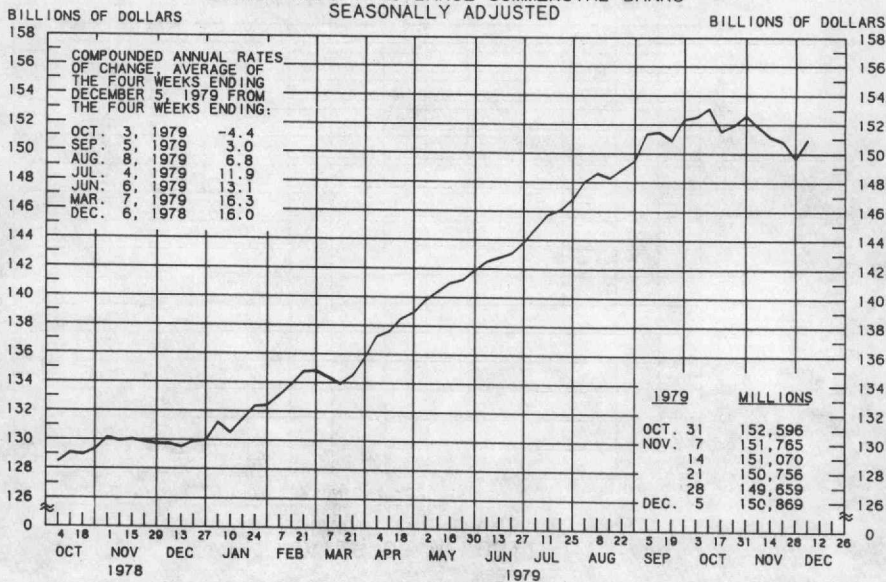
TO THE AVERAGE OF FOUR WEEKS ENDING:	12/6/78	3/7/79	5/2/79	6/6/79	7/4/79	8/8/79	9/5/79	10/3/79
5/ 2/79	8.7							
6/ 6/79	8.9	7.9						
7/ 4/79	8.8	7.9	9.0					
8/ 8/79	9.3	9.1	10.4	10.7				
9/ 5/79	10.0	10.1	11.7	12.4	14.4			
10/ 3/79	10.1	10.2	11.5	12.0	13.2	13.3		
11/ 7/79	9.8	9.7	10.6	10.9	11.5	10.9	8.6	
12/ 5/79	9.3	9.1	9.7	9.7	10.0	9.2	7.1	5.6

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## BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



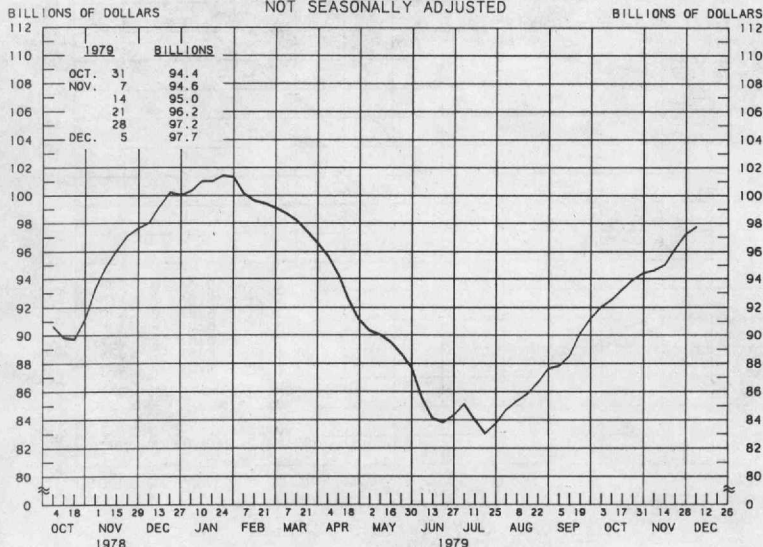
## BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CERTIFICATES OF DEPOSIT  
LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 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