



FINANCIAL DATA

Week ending: January 23, 1980

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An operating strategy that emphasizes control of bank reserves as the means of controlling money growth requires a greater willingness on the part of the Federal Reserve to periodically permit greater fluctuations in the effective federal funds rate.* Such a policy does not necessarily imply, however, that large week-to-week fluctuations in the funds rate will be the norm. In the period immediately following the announcement of such a major change in operating procedures, one would expect to see large variation in the funds rate. As the banks become accustomed to the new procedure, such large changes could become less common. For example, following the October 6, 1979 announcement by the Federal Open Market Committee, the absolute value of the change in this rate from the week ending October 17 to the week ending October 24 was 192 basis points—the largest week-to-week change for the year. Over the eight-week period following the October 6 announcement, the average absolute value of the week-to-week changes was about 101 basis points. In contrast, the average change was only 19 basis points over the previous eight-week period.

Recent week-to-week changes in the federal funds rate, however, have decreased relative to the immediate post-October 6 levels. Over the most recent seven-week period, for instance, the absolute values of week-to-week changes in the effective rate averaged about 19 basis points. This average change is similar to the average fluctuation for the corresponding seven-week period ending January 24, 1979 when it was about 24 basis points. Although week-to-week fluctuations have decreased in recent weeks, daily trading ranges and day-to-day changes in the effective rate have remained substantially larger compared with those before October 6.

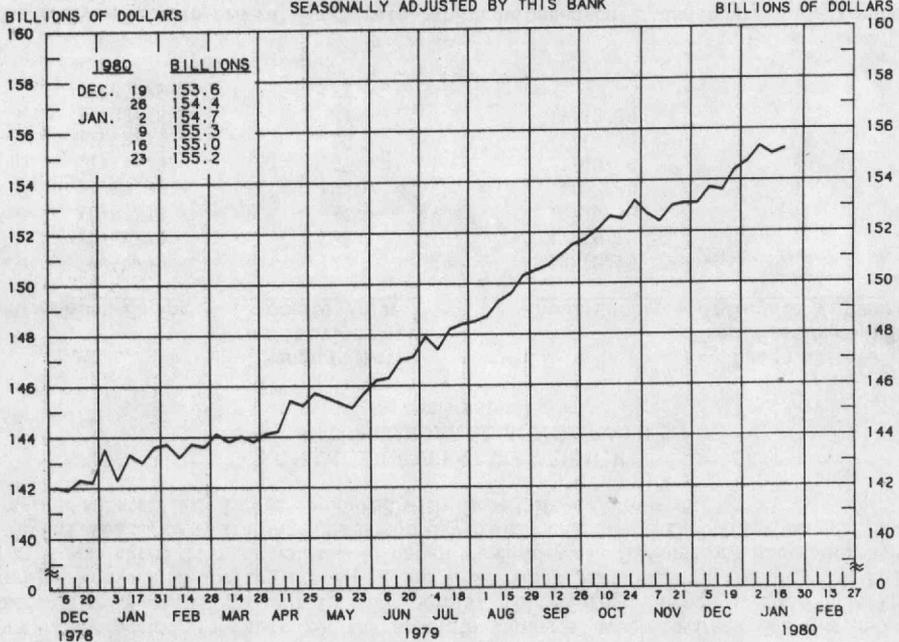
CHANGE IN WEEKLY AVERAGE EFFECTIVE FEDERAL FUNDS RATE (in basis points)

<u>Week Ending</u>	<u>Change in Rate From Previous Week (Absolute Values)</u>	<u>Week Ending</u>	<u>Change in Rate From Previous Week (Absolute Values)</u>
10/17/79	122	12/12/79	2
10/24/79	192	12/19/79	11
10/31/79	47	12/26/79	41
11/07/79	184	1/02/80	55
11/14/79	47	1/09/80	10
11/21/79	20	1/16/80	3
11/28/79	64	1/23/80	14
12/05/79	131		

*The daily effective federal funds rate, which is based on transactions made through brokers in New York City, is an average of rates occurring during each day weighted by the amounts that were traded. The weekly federal funds rate reported in this release (page 7) is a seven-day average of daily effective rates for the week ending on Wednesday.

Prepared by Federal Reserve Bank of St. Louis
Released: January 25, 1980

ADJUSTED MONETARY BASE
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED BY THIS BANK



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:

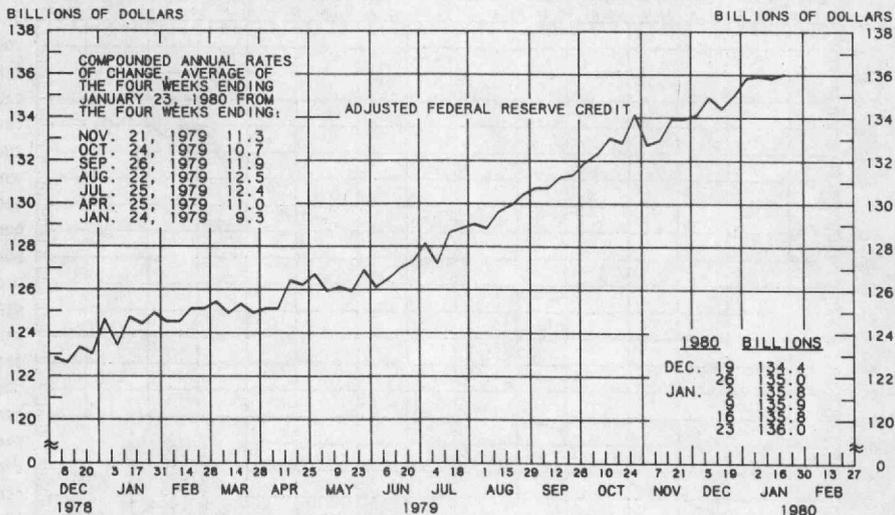
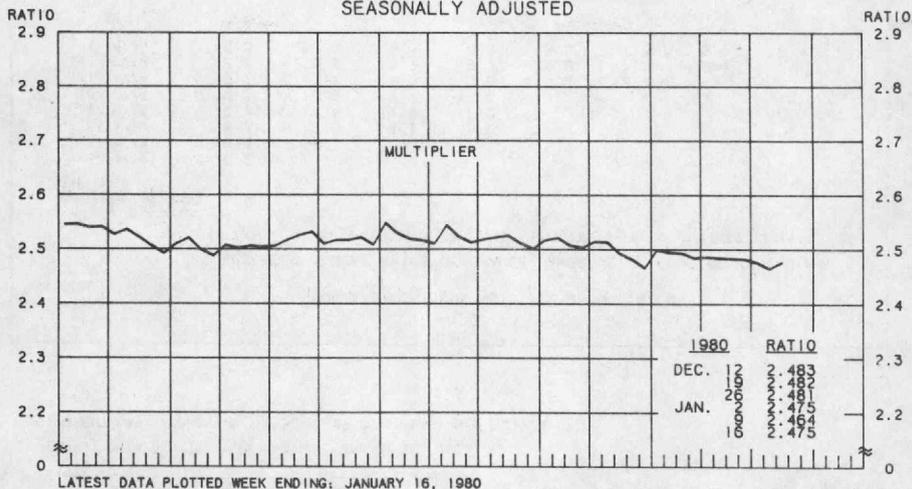
1/24/79 4/25/79 6/20/79 7/25/79 8/22/79 9/26/79 10/24/79 11/21/79

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

6/20/79	5.8							
7/25/79	7.1	9.4						
8/22/79	7.4	9.4	11.1					
9/26/79	8.4	10.6	12.5	12.3				
10/24/79	8.7	10.6	12.1	11.8	13.1			
11/21/79	8.3	9.9	10.8	10.3	10.6	8.0		
12/26/79	8.1	9.4	10.0	9.3	9.4	7.3	5.8	
1/23/80	8.5	9.7	10.3	9.8	9.9	8.5	7.8	9.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



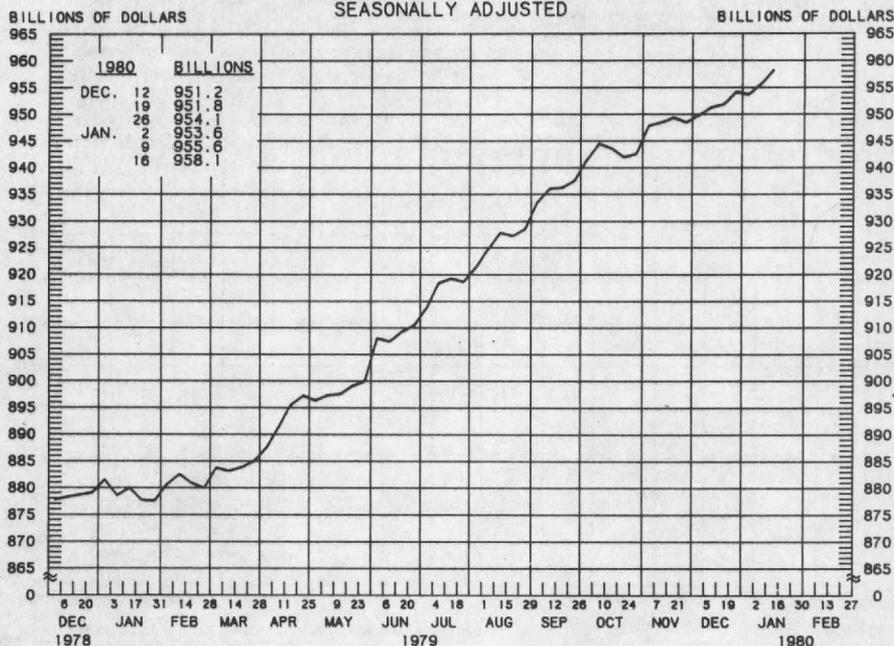
1/ RATIO OF MONEY STOCK (M1) / ADJUSTED MONETARY BASE

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: JANUARY 16, 1980

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:

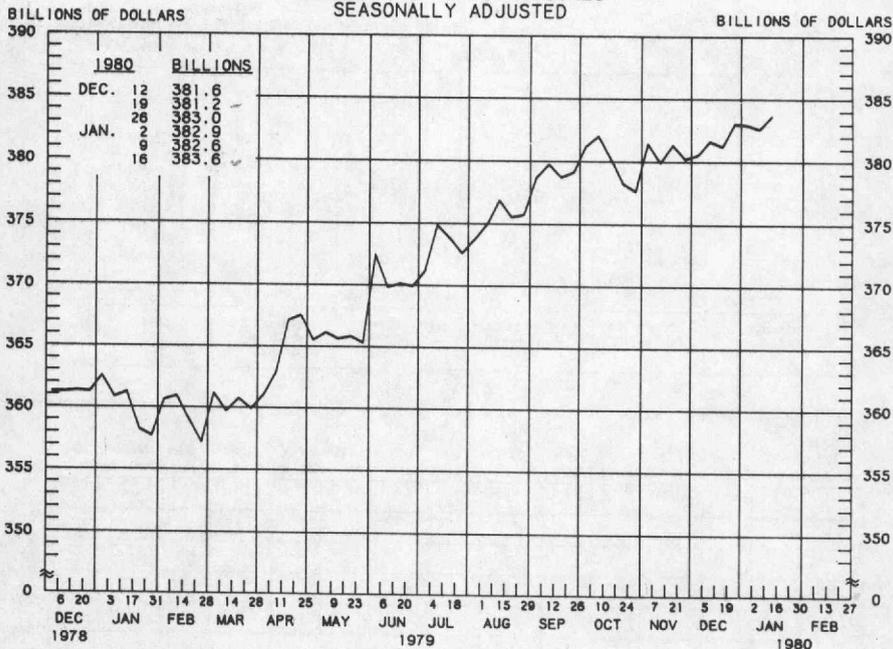
1/17/79 4/18/79 6/13/79 7/18/79 8/15/79 9/19/79 10/17/79 11/14/79

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

6/13/79	6.9							
7/18/79	8.3	12.1						
8/15/79	8.7	11.9	13.1					
9/19/79	9.2	12.1	12.9	12.0				
10/17/79	9.5	12.0	12.7	12.0	12.2			
11/14/79	9.1	11.1	11.2	10.3	9.9	8.4		
12/19/79	8.7	10.3	10.2	9.2	8.8	7.3	5.4	
1/16/80	8.6	10.0	9.8	8.9	8.5	7.3	5.9	6.4

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MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 16, 1980

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)

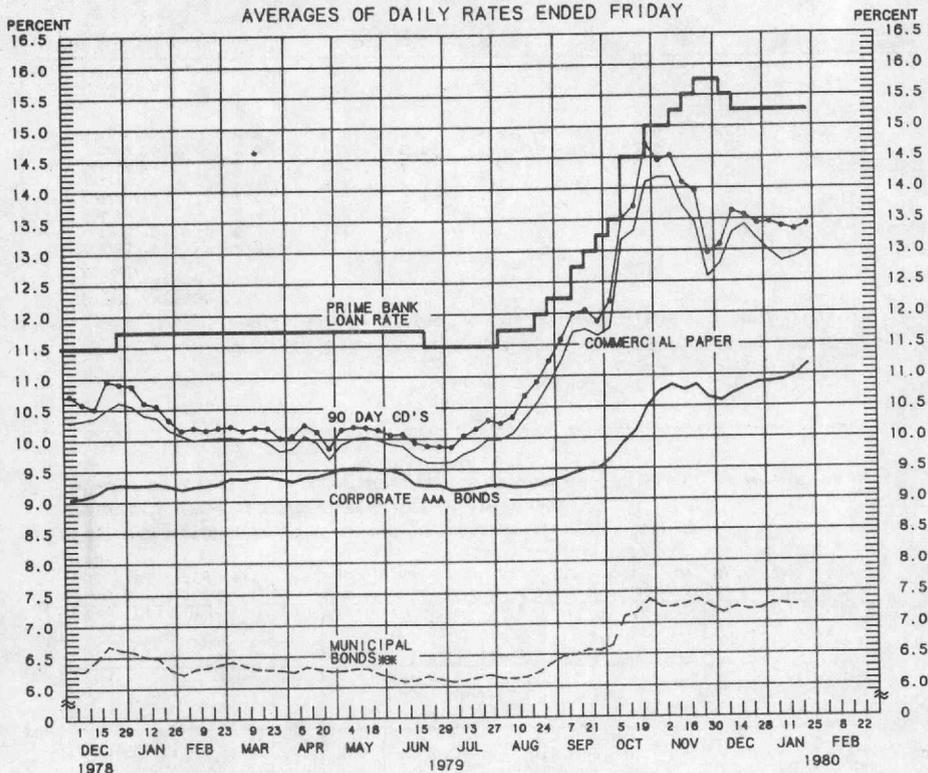
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	1/17/79	4/18/79	6/13/79	7/18/79	8/15/79	9/19/79	10/17/79	11/14/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/13/79	4.8							
7/18/79	6.2	11.1						
8/15/79	6.4	10.3	10.1					
9/19/79	7.0	10.4	10.4	9.3				
10/17/79	7.1	10.1	10.0	9.1	9.8			
11/14/79	6.0	8.1	7.2	5.8	5.2	1.9		
12/19/79	5.9	7.5	6.7	5.5	5.0	2.9	0.5	
1/16/80	6.0	7.5	6.8	5.8	5.4	3.9	2.5	5.8

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



1980	90 DAY CD'S	PRIME COMMERCIAL PAPER	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
DEC. 7	13.09	12.79	12.83	10.58	7.17
14	13.63	13.29	13.58	10.70	7.26
21	13.56	13.41	13.47	10.79	7.22
28	13.43	13.18	13.42	10.87	7.23
JAN. 4	13.45	12.98	13.29	10.88	7.32
11	13.38	12.82	13.09	10.91	7.30
18	13.33	12.88	13.04	10.99	7.28
25 *	13.41	12.97	13.23	11.17	N.A.
FEB. 1					
8					
15					
22					
29					

* AVERAGES OF RATES AVAILABLE.

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

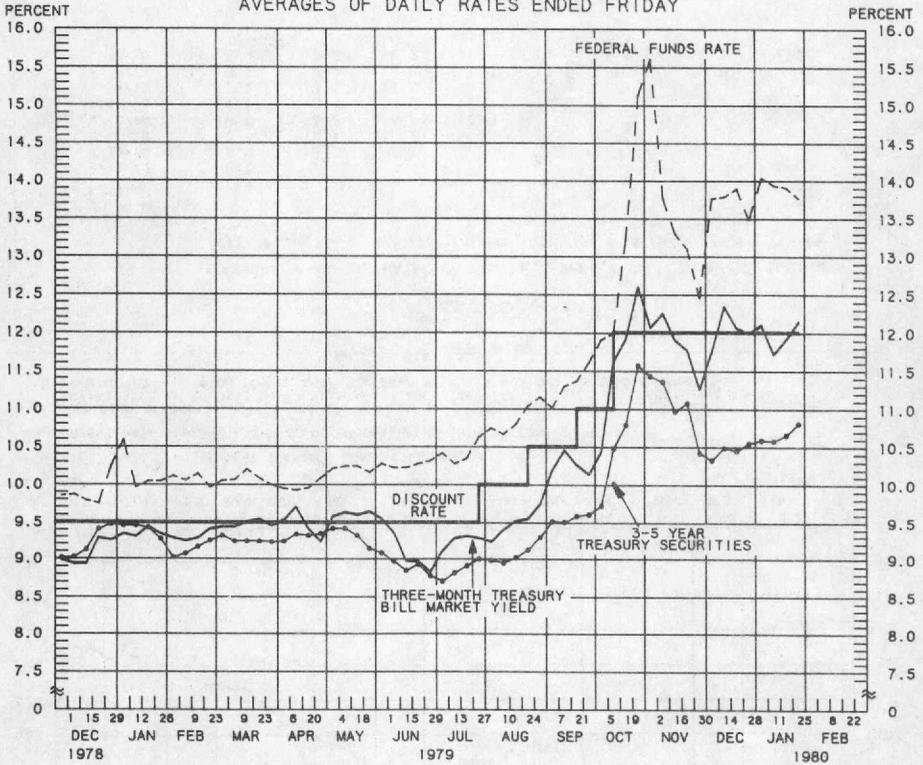
‡ DATA ARE 4-MONTH COMMERCIAL PAPER RATES.

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: JANUARY 25, 1980

1980	FEDERAL FUNDS RATE	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
DEC. 7	13.77	11.75	11.77	10.86	10.33	9.97
14	13.79	12.34	11.77	11.10	10.49	10.14
21	13.90	12.06	12.00	10.85	10.45	10.08
28	13.49	11.99	11.85	10.86	10.55	10.13
JAN. 4	14.04	12.10	11.88	10.97	10.59	10.21
11	13.94	11.72	11.86	10.78	10.58	10.27
18	13.91	11.91	11.78	10.83	10.66	10.42
25 *	13.77	12.14	11.89	10.98	10.81	10.66
FEB. 1						
8						
15						
22						
29						

* 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.

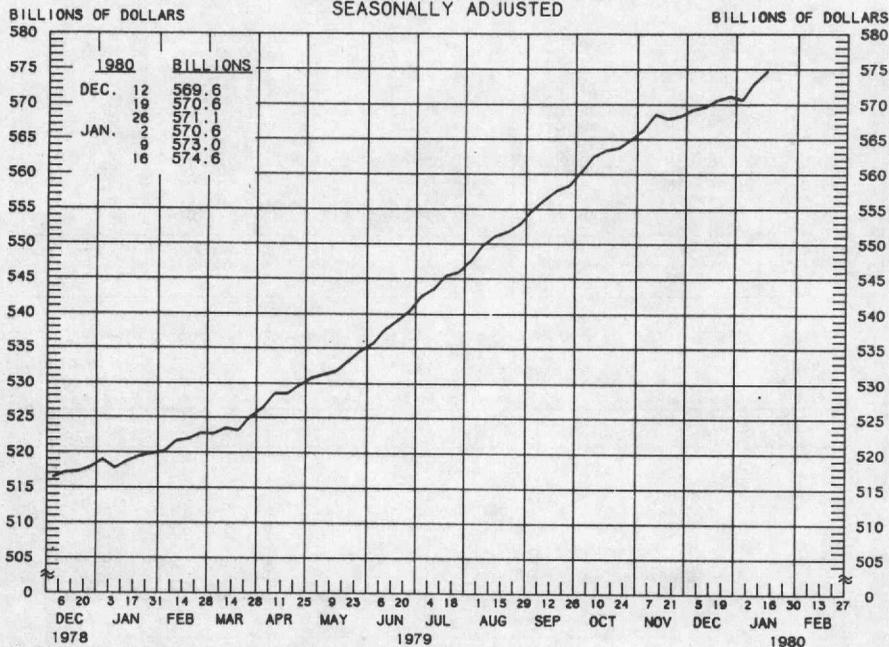
**** NEW ISSUE RATE

***** 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: JANUARY 16, 1980

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.

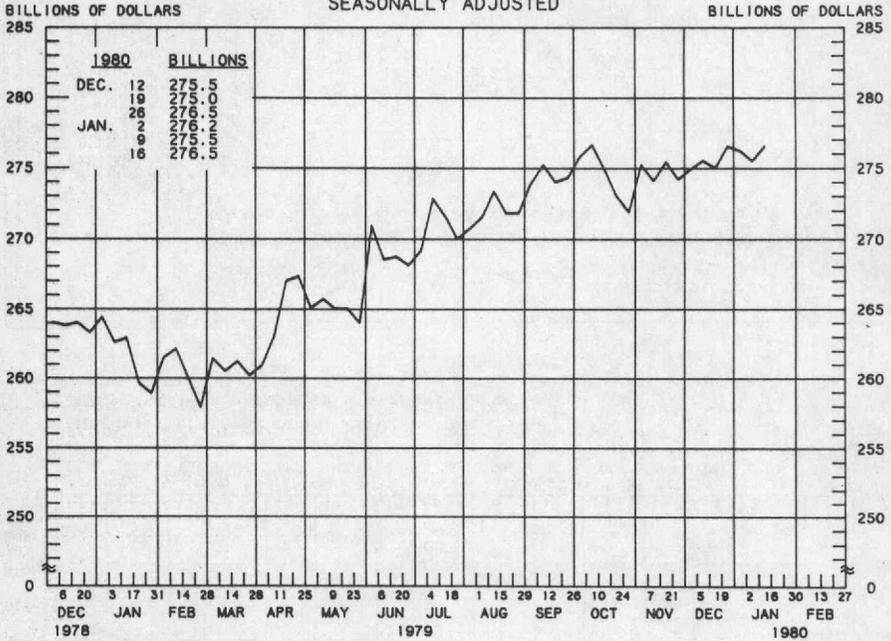
NET TIME DEPOSITS

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

	1/17/79	4/18/79	6/13/79	7/18/79	8/15/79	9/19/79	10/17/79	11/14/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/13/79	8.3							
7/18/79	9.8	12.7						
8/15/79	10.3	13.1	15.2					
9/19/79	10.8	13.2	14.7	13.9				
10/17/79	11.2	13.4	14.6	14.0	13.9			
11/14/79	11.2	13.1	14.0	13.5	13.2	12.9		
12/19/79	10.7	12.2	12.6	11.9	11.3	10.5	8.9	
1/16/80	10.4	11.6	11.9	11.1	10.5	9.6	8.2	6.7

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DEMAND DEPOSIT COMPONENT OF MONEY STOCK
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED

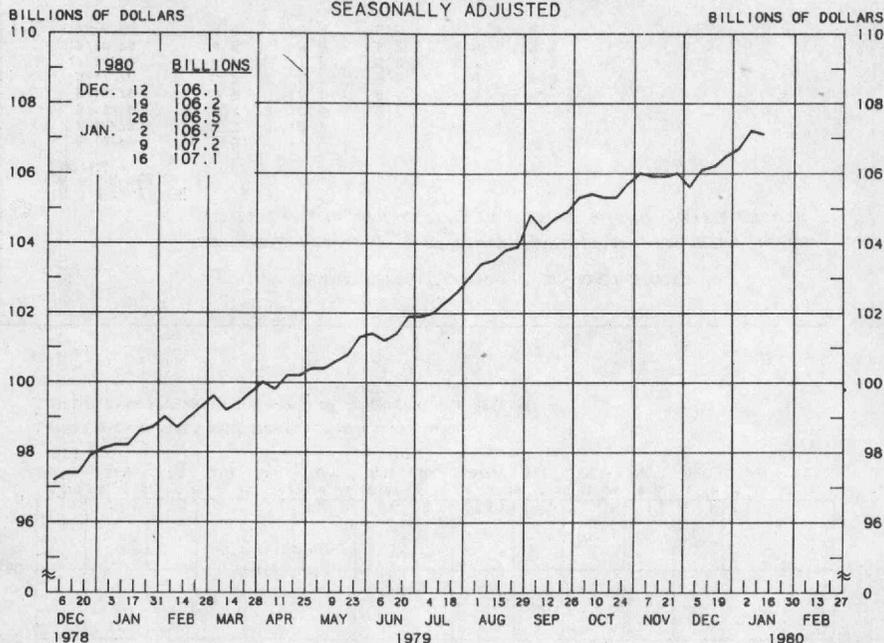


LATEST DATA PLOTTED WEEK ENDING: JANUARY 16, 1980
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK										
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:										
	1/17/79	4/18/79	6/13/79	7/18/79	8/15/79	9/19/79	10/17/79	11/14/79		
TO THE AVERAGE OF FOUR WEEKS ENDING:										
6/13/79	3.6									
7/18/79	5.5	12.1								
8/15/79	5.4	10.4	9.7							
9/19/79	5.9	10.1	9.5	7.3						
10/17/79	6.2	9.8	9.2	7.6	8.8					
11/14/79	4.7	7.2	5.8	3.7	3.3	-0.2				
12/19/79	4.8	6.9	5.7	4.0	3.8	1.8	-1.0			
1/16/80	4.9	6.9	5.8	4.3	4.2	2.8	1.2	5.6		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



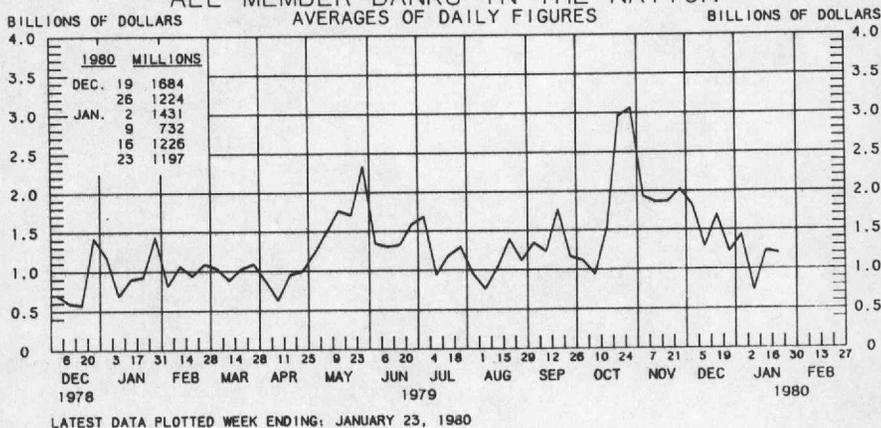
CURRENCY

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

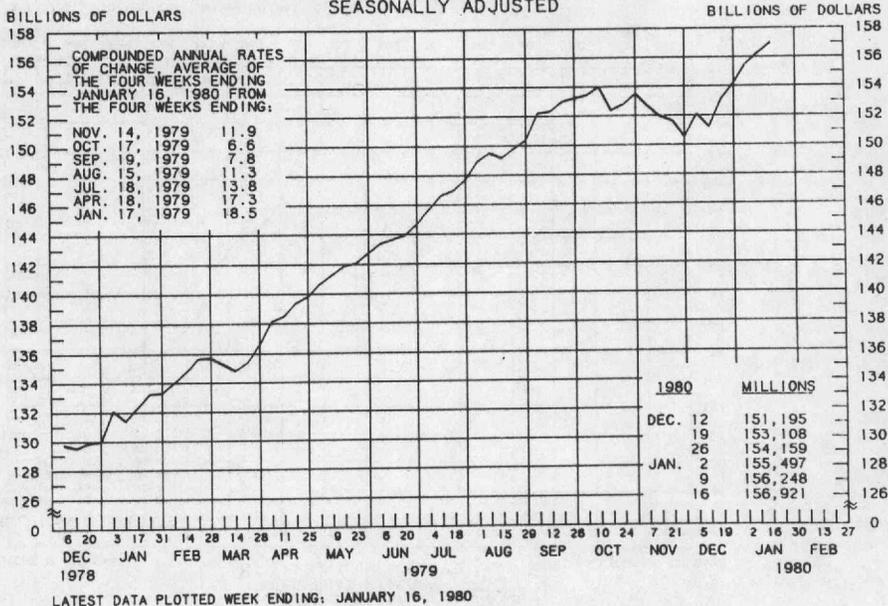
	1/17/79	4/18/79	6/13/79	7/18/79	8/15/79	9/19/79	10/17/79	11/14/79
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/13/79	8.0							
7/18/79	8.1	8.7						
8/15/79	9.0	10.1	11.3					
9/19/79	9.8	11.2	12.7	15.0				
10/17/79	9.8	10.9	11.8	13.2	12.4			
11/14/79	9.4	10.3	10.8	11.5	10.5	7.7		
12/19/79	8.8	9.2	9.3	9.5	8.3	5.9	4.5	
1/16/80	9.0	9.5	9.6	9.8	8.9	7.2	6.6	6.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

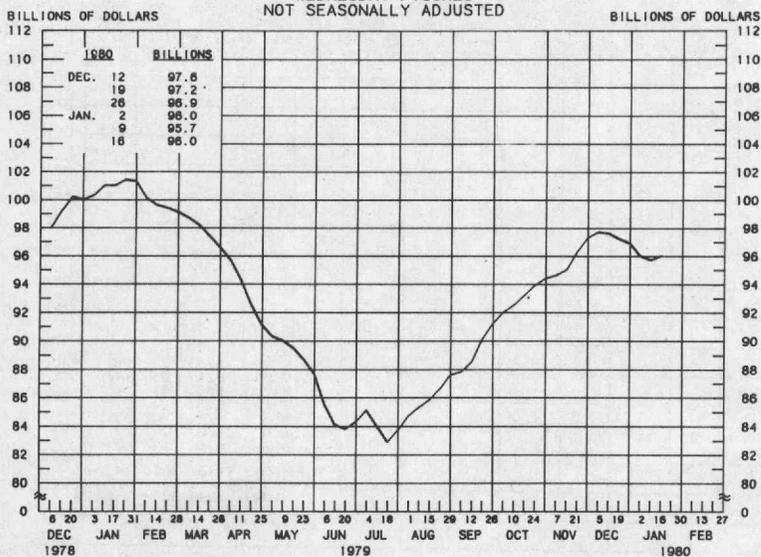


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CERTIFICATES OF DEPOSIT
 LARGE COMMERCIAL BANKS
 WEDNESDAY FIGURES
 NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 16, 1980

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