



U.S. FINANCIAL DATA

Week ending: February 27, 1980

LIBRARY

The spread between yields on short-term U.S. Treasury bills and the ceiling interest rate paid on passbook deposits at commercial banks has widened sharply since the middle of last year. For example, the rate on newly issued six-month Treasury bills was about 400 basis points above the ceiling rate on passbook deposits in July 1979. This spread has increased to about 740 basis points in February 1980. As the spread between these two rates has widened, the rate of growth of savings deposits at commercial banks has decreased. As shown in the table below, the negative growth of savings deposits has been more pronounced over the most recent four month period. In contrast, small time deposits—those issued in denominations of less than \$100,000—have grown rapidly over the last nine months (see table). One reason for this divergent growth is the inclusion in small time deposits of money market certificates (MMCs).

MMCs are time deposits issued by commercial banks in denominations of \$10,000 or more and with maturities of six months. The maximum rate payable on MMCs is linked to the yield on newly issued six-month Treasury bills. Unlike the rate paid on savings deposits, the rate payable on MMCs is allowed to fluctuate with market forces. The effect of the increasing spread between these rates is reflected in the near doubling of MMCs during the latter half of 1979: From June to December of last year, MMCs increased from \$59 billion to \$103 billion.

Since January 1, commercial banks and thrift institutions have offered a new 2-1/2 year maturity MMC. In contrast to the six-month MMC, these new MMCs have no minimum deposit requirement. Also, the maximum rate payable on these longer-term deposits is tied to the yield on 2-1/2 year Treasury securities which recently has risen to about 14 percent. The Board of Governors has announced that, beginning March 1, a temporary ceiling rate of 11.75 percent will be imposed on the new 2-1/2 year MMCs issued at commercial banks. Also a ceiling rate of 12 percent will be imposed on thrift institutions.

GROWTH RATES OF COMMERCIAL BANKS' SAVINGS AND SMALL TIME DEPOSITS (Seasonally adjusted, compounded annual rates of change)

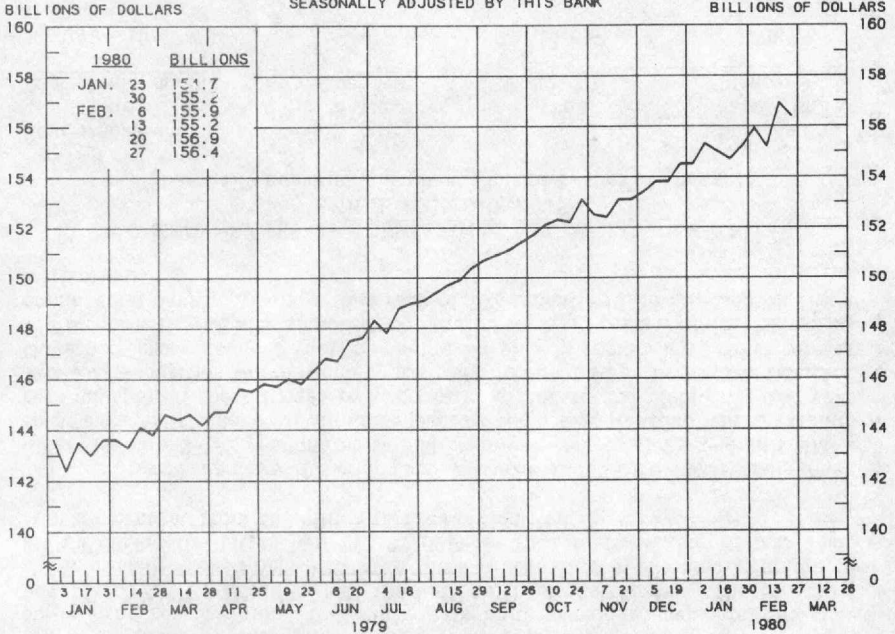
Four-weeks-ending to Four-weeks-ending	Savings deposits	Small time deposits*	Savings and small time deposits
5/23/79 - 10/17/79	-1.6%	23.6%	10.7%
10/17/79 - 2/20/80	-15.9	33.2	8.0

* Time deposits issued by commercial banks in denominations less than \$100,000.

Prepared by Federal Reserve Bank of St. Louis

Released: March 3, 1980

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

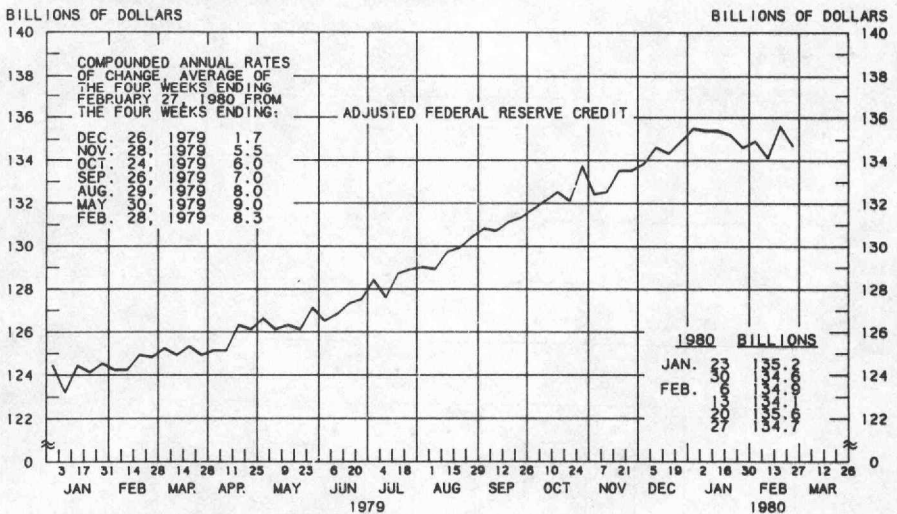
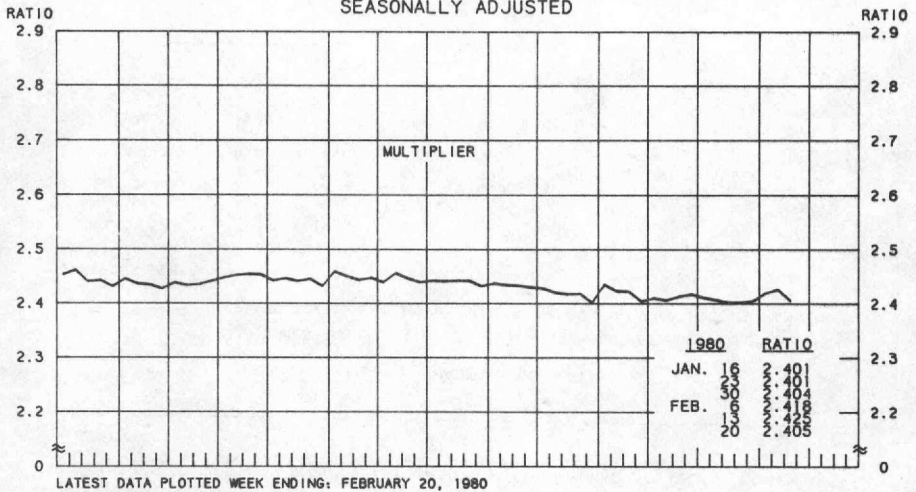


LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 27, 1980

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:									
	2/28/79	5/30/79	7/25/79	8/29/79	9/26/79	10/24/79	11/28/79	12/26/79	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
7/25/79	8.5								
8/29/79	8.8	11.1							
9/26/79	9.0	10.8	10.1						
10/24/79	9.1	10.7	10.1	9.9					
11/28/79	8.5	9.5	8.6	8.0	7.1				
12/26/79	8.6	9.6	8.8	8.4	7.9	7.0			
1/30/80	8.6	9.4	8.7	8.4	8.0	7.5	9.0		
2/27/80	8.6	9.3	8.7	8.4	8.2	7.8	8.9	8.5	

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



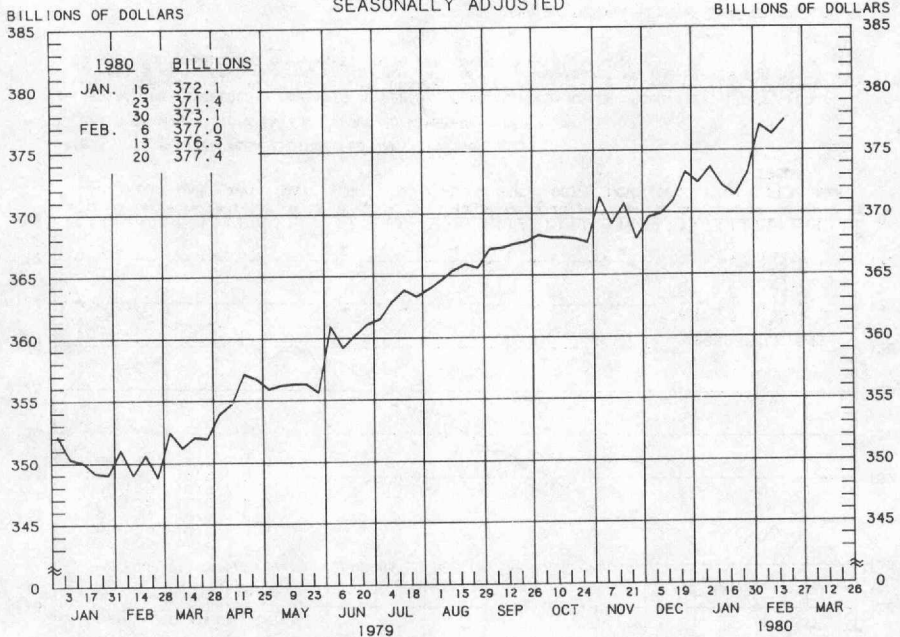
LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 27, 1980

1/ RATIO OF MONEY STOCK (M1A) / 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 (M1A)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 20, 1980

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

M1A CONSISTS OF CURRENCY AND COIN PLUS COMMERCIAL BANK DEMAND DEPOSITS HELD BY THE NONBANK PUBLIC EXCLUDING THOSE HELD BY FOREIGN BANKS AND OFFICIAL INSTITUTIONS.

MONEY STOCK (M1A)

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

2/21/79 5/23/79 7/18/79 8/22/79 9/19/79 10/17/79 11/21/79 12/19/79

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

7/18/79	9.0								
8/22/79	8.8	10.3							
9/19/79	8.6	9.5	7.6						
10/17/79	8.0	8.4	6.4	5.5					
11/21/79	7.6	7.7	6.0	5.3	4.5				
12/19/79	6.8	6.6	4.8	3.9	3.0	2.5			
1/23/80	7.0	6.8	5.4	4.9	4.4	4.5	4.3		
2/20/80	7.5	7.5	6.4	6.1	6.0	6.4	7.0	10.4	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1B)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 20, 1980

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

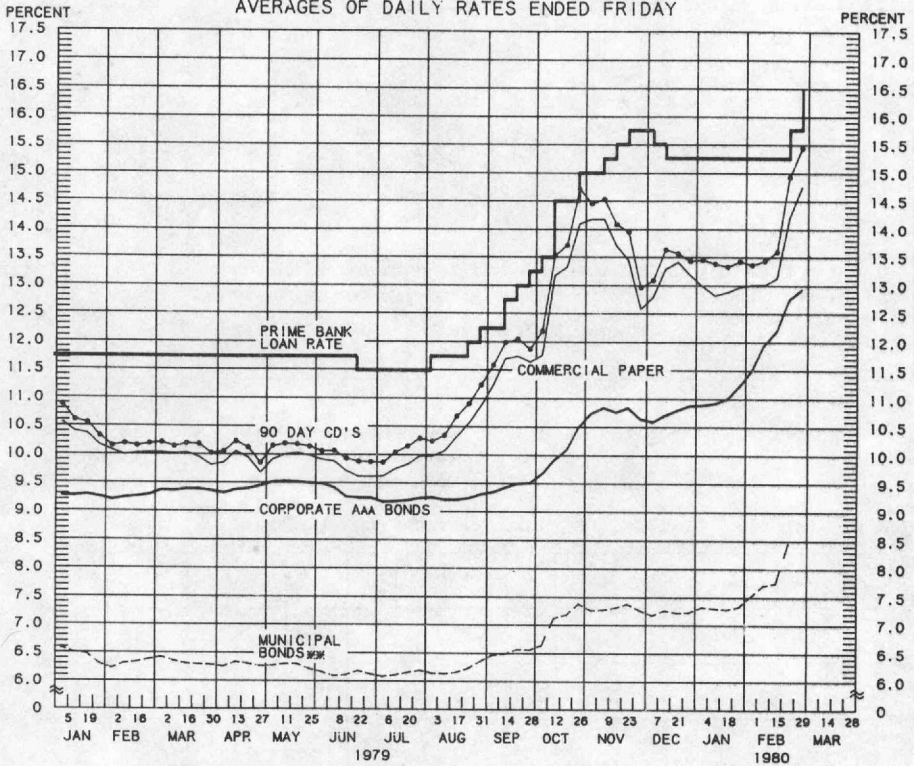
M1B CONSISTS OF M1A PLUS OTHER CHECKABLE DEPOSITS AT ALL DEPOSITARY INSTITUTIONS.

MONEY STOCK (M1B)									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	2/21/79	5/23/79	7/18/79	8/22/79	9/19/79	10/17/79	11/21/79	12/19/79	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
7/18/79	11.6								
8/22/79	11.2	11.9							
9/19/79	10.8	11.0	9.1						
10/17/79	10.0	9.6	7.5	6.1					
11/21/79	9.3	8.6	6.7	5.5	4.3				
12/19/79	8.5	7.6	5.6	4.4	3.3	2.9			
1/23/80	8.6	7.8	6.3	5.5	4.9	5.1	5.5		
2/20/80	8.8	8.2	7.0	6.5	6.2	6.6	7.5	10.5	

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: FEBRUARY 29, 1980

1980	90 DAY CD'S	PRIME COMMERCIAL PAPER ²⁰ _{4-MONTH}	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ²⁰ _{4-MONTH}
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
FEB. 25	13.42	12.97	13.24	11.22	7.33
1	13.36	13.01	13.11	11.49	7.52
8	13.43	13.01	13.13	11.95	7.71
15	13.59	13.13	13.33	12.19	7.75
22	14.93	14.21	14.65	12.75	8.46
MAR. 29 *	15.44	14.75	15.05	12.92	N.A.
7					
14					
21					
28					

* AVERAGES OF RATES AVAILABLE.

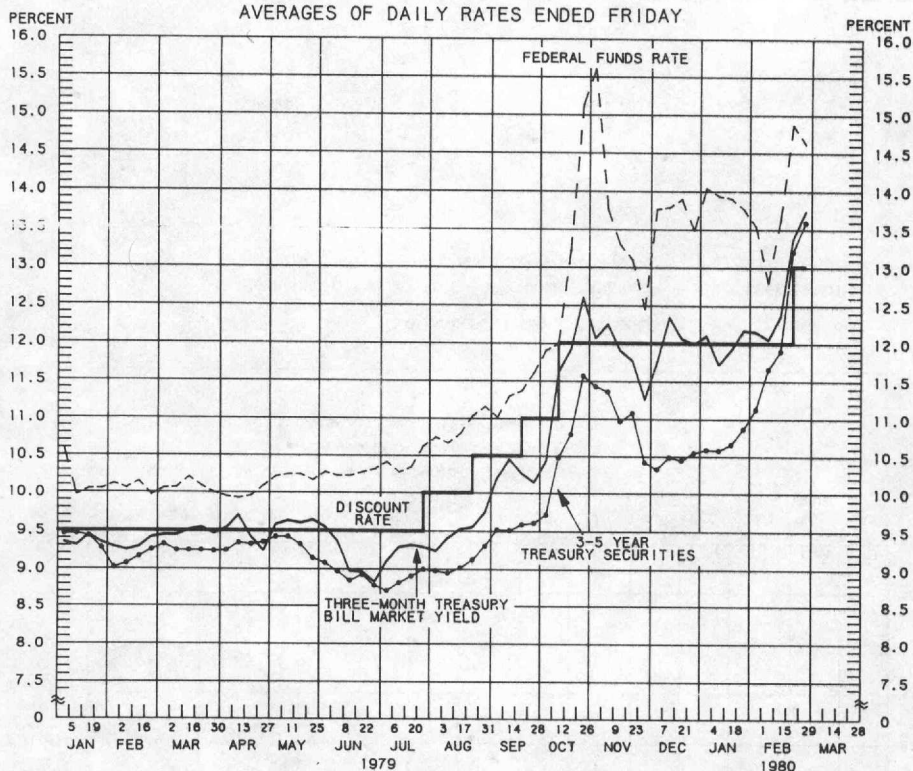
²⁰ BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

_{4-MONTH} DATA ARE 4-MONTH COMMERCIAL PAPER RATES.

N.A. - NOT AVAILABLE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SELECTED INTEREST RATES AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: FEBRUARY 29, 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
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	12.17	11.89	11.05	10.87	10.73
FEB. 1	13.54	12.15	11.85	11.23	11.13	11.01
8	12.80	12.05	11.99	11.51	11.66	11.51
15	13.64	12.36	12.26	11.91	11.90	11.76
22	14.87	13.38	13.01	13.12	13.21	12.53
29 *	14.62	13.73	13.63	13.50	13.59	12.55
MAR. 7						
14						
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

SAVINGS PLUS SMALL TIME DEPOSITS
ALL COMMERCIAL BANKS
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 20, 1980

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

TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000.

SAVINGS PLUS SMALL TIME DEPOSITS

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

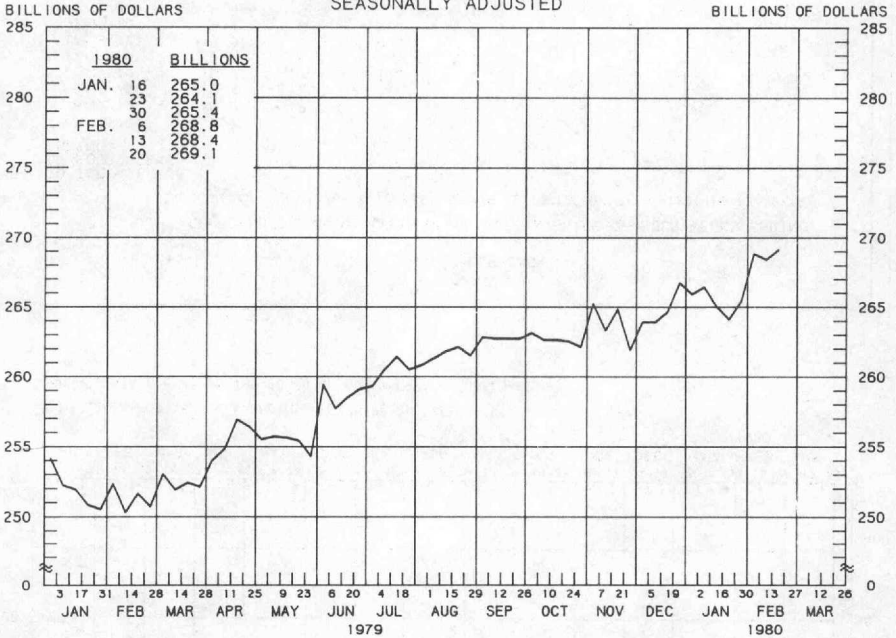
2/21/79 5/23/79 7/18/79 8/22/79 9/19/79 10/17/79 11/21/79 12/19/79

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

7/18/79	9.0								
8/22/79	9.5	13.3							
9/19/79	9.4	12.1	10.2						
10/17/79	8.8	10.7	8.6	6.6					
11/21/79	8.7	10.1	8.3	7.1	6.5				
12/19/79	8.6	9.7	8.1	7.1	6.7	7.5			
1/23/80	8.3	9.2	7.8	6.9	6.6	7.0	6.6		
2/20/80	8.5	9.4	8.2	7.5	7.4	8.0	8.0	8.4	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

DEMAND DEPOSIT COMPONENT OF MONEY STOCK (M1A)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 20, 1980

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

DEMAND DEPOSIT COMPONENT OF MONEY STOCK (M1A)

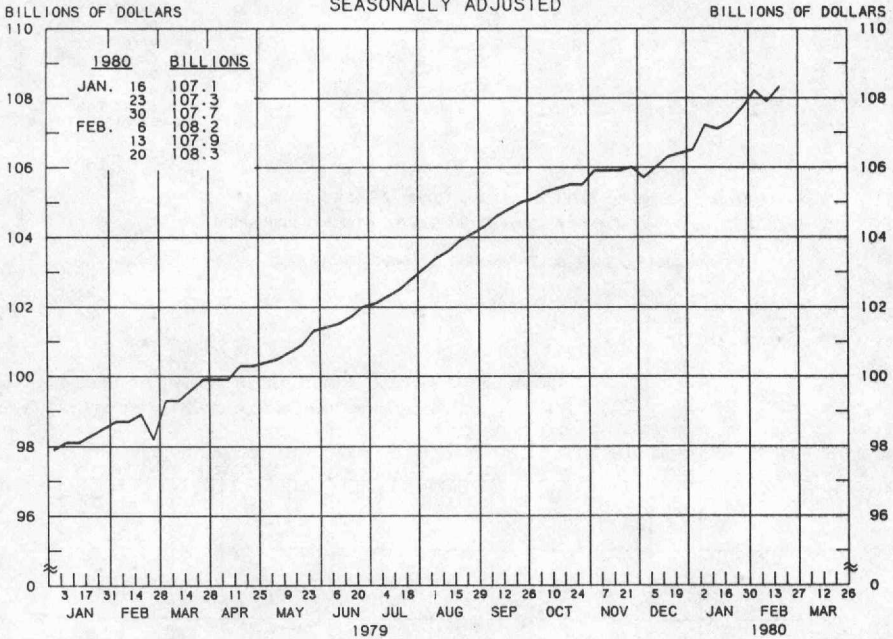
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
 2/21/79 5/23/79 7/18/79 8/22/79 9/19/79 10/17/79 11/21/79 12/19/79

TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

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10/17/79	7.1	7.1	4.2	3.3				
11/21/79	6.8	6.6	4.3	3.7	3.3			
12/19/79	6.0	5.5	3.2	2.5	1.8	1.8		
1/23/80	6.1	5.7	4.0	3.6	3.3	3.7	3.3	
2/20/80	6.6	6.5	5.1	5.0	5.0	5.7	6.2	9.8

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

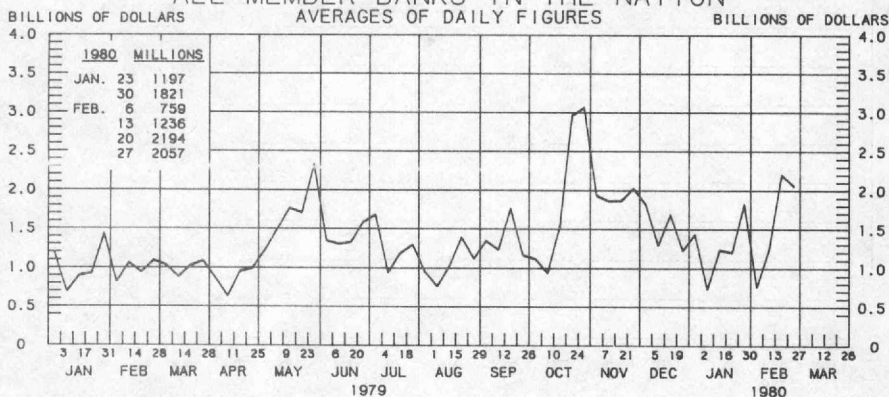
CURRENCY COMPONENT
OF MONEY STOCK MEASURES
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



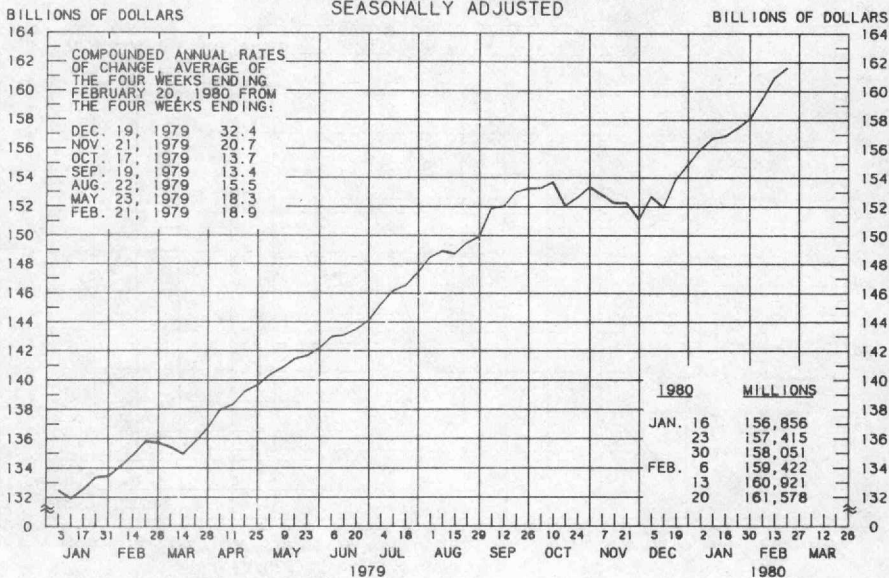
LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 20, 1980
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

CURRENCY									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
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7/18/79	9.0								
8/22/79	10.0	12.0							
9/19/79	10.4	12.3	13.7						
10/17/79	10.2	11.7	12.3	11.2					
11/21/79	9.7	10.6	10.5	9.2	7.4				
12/19/79	9.0	9.5	9.0	7.6	5.9	4.5			
1/23/80	9.1	9.6	9.2	8.2	7.1	6.5	6.7		
2/20/80	9.4	9.9	9.7	8.9	8.1	7.9	8.6	11.4	

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

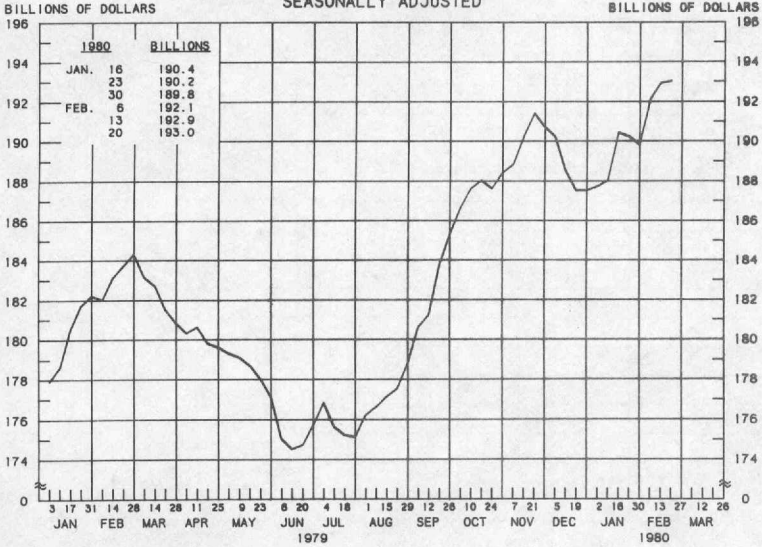


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 20, 1980
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.
TIME DEPOSITS ISSUED IN DENOMINATIONS OF \$100,000 OR MORE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS