Week ending: April 2, 1980

Member bank borrowings from the discount window at Federal Reserve Banks increased sharply immediately following the October 6 policy change. For example, borrowings increased from about $1 billion in the week ending October 10 to about $3 billion in the week ending October 31. After the initial increase, borrowings generally declined throughout the rest of 1979 to pre-October 6 levels (see page 11). Since the beginning of February of this year, however, member bank borrowings have again increased rapidly, reaching a high of about $3.4 billion in the week ending March 12.

Borrowing from the discount window at Federal Reserve Banks and in the federal funds market represent alternative sources of short-term funds to member commercial banks. Member bank borrowings at the discount window have tended to increase with increases in the spread between the discount rate and the federal funds rate. Member bank borrowing behavior over the past few months has been consistent with this pattern. For instance, member bank borrowings averaged $1.3 billion over the December-January period when the differential between the discount rate and the federal funds rate averaged 183 basis points. Since January, however, the average spread between these two rates has widened to 285 basis points and member bank borrowings have increased to an average of $2.2 billion.
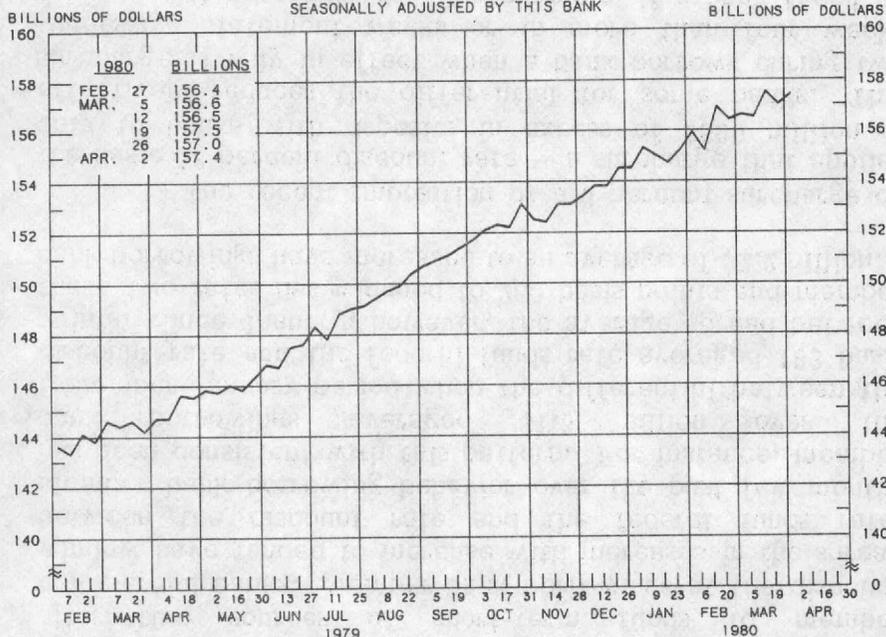
The recent imposition of a 3 percent surcharge on the basic 13 percent discount rate — a surcharge that applies only to banks with deposits in excess of $500 million — effectively reduces the differential for some banks. This surcharge is only in effect when a bank borrows during two successive statement weeks or in more than four weeks during a calendar quarter. For example, if a bank faced an effective discount rate of 16 percent in the week ending March 28, the spread would be 178 basis points instead of 478 basis points.

Prepared by Federal Reserve Bank of St. Louis
Released: April 4, 1980

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

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

1980	BILLIONS
FEB. 27	156.4
MAR. 5	156.6
12	156.5
19	157.5
26	157.0
APR. 2	157.4

LATEST DATA PLOTTED WEEK ENDING: APRIL 2, 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:

TO THE AVERAGE OF FOUR WEEKS ENDING:	4/4/79	7/4/79	9/5/79	10/3/79	10/31/79	12/5/79	1/2/80	1/30/80
9/ 5/79	9.6							
10/ 3/79	9.6	10.7						
10/31/79	9.7	10.5	9.9					
12/ 5/79	8.9	9.0	7.7	6.7				
1/ 2/80	9.0	9.3	8.4	7.9	7.0			
1/30/80	8.9	9.1	8.3	7.9	7.3	9.3		
3/ 5/80	8.9	9.0	8.3	8.0	7.6	8.9	8.1	
4/ 2/80	8.7	8.8	8.1	7.8	7.4	8.4	7.7	7.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED BANK RESERVES 1/
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

1980		BILLIONS
FEB.	20	48.6
	27	48.0
MAR.	5	47.9
	12	47.8
	19	48.4
	26	48.1

7 21 7 21 4 18 2 16 30 13 27 11 25 8 22 5 19 3 17 31 14 28 12 26 9 23 6 20 5 19 2 16 30
FEB   MAR   APR   MAY   JUN   JUL   AUG   SEP   OCT   NOV   DEC   JAN   FEB   MAR   APR
                              1979   1980
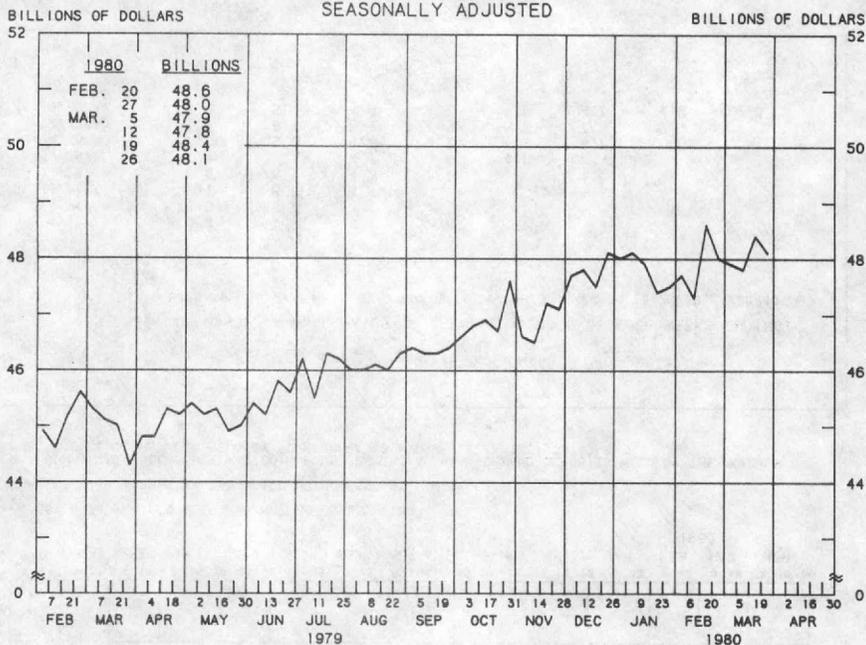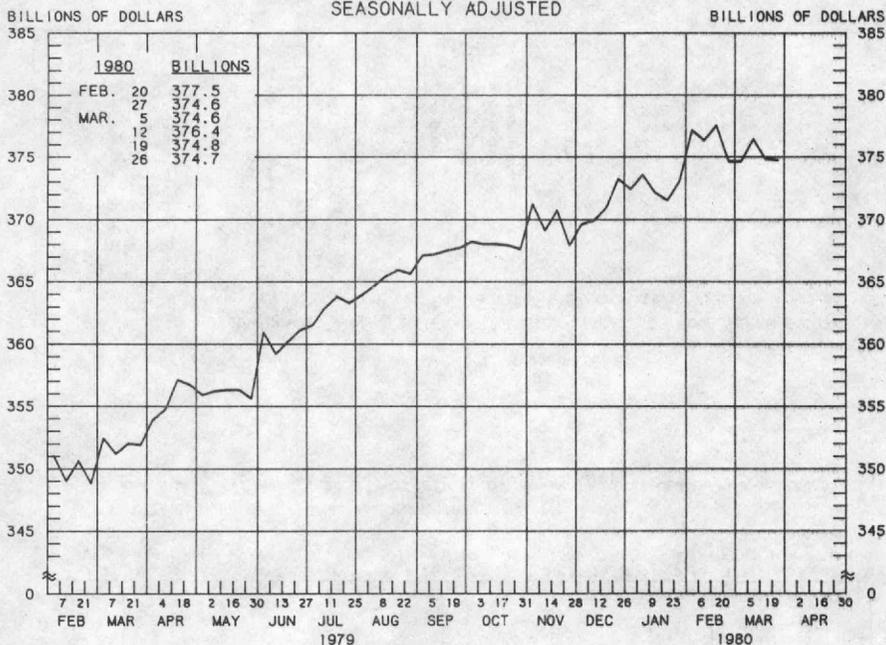
LATEST DATA PLOTTED WEEK ENDING: MARCH 26, 1980

1/ ADJUSTED MONETARY BASE LESS CURRENCY HELD BY THE NONBANK PUBLIC (MEMBER BANK RESERVES AT
   FEDERAL RESERVE BANKS (+) CURRENCY HELD BY COMMERCIAL BANKS).

ADJUSTED BANK RESERVES

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	3/28/79	6/27/79	8/29/79	9/26/79	10/24/79	11/28/79	12/26/79	1/23/80
8/29/79	6.4							
9/26/79	6.8	8.1						
10/24/79	7.4	9.0	10.3					
11/28/79	6.7	7.4	7.1	6.4				
12/26/79	8.7	10.4	11.7	12.6	13.0			
1/23/80	8.1	9.3	9.9	10.2	9.7	14.7		
2/27/80	7.3	7.9	8.0	7.8	6.9	8.8	1.2	
3/26/80	7.1	7.7	7.6	7.5	6.7	8.0	2.5	2.4

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

3

MONEY STOCK (M1A)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

1980	BILLIONS
FEB. 20	377.5
27	374.6
MAR. 5	374.6
12	376.4
19	374.8
26	374.7

LATEST DATA PLOTTED WEEK ENDING: MARCH 26, 1980

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

MIA 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:

TO THE AVERAGE OF FOUR WEEKS ENDING:	3/28/79	6/27/79	8/29/79	9/26/79	10/24/79	11/28/79	12/26/79	1/23/80
8/29/79	9.3							
9/26/79	9.0	8.0						
10/24/79	8.1	6.6	4.7					
11/28/79	7.6	6.2	4.8	3.7				
12/26/79	7.3	5.9	4.7	3.9	4.6			
1/23/80	7.1	5.8	4.8	4.2	4.9	4.8		
2/27/80	7.6	6.7	6.1	5.9	6.7	7.4	8.9	
3/26/80	6.6	5.5	4.6	4.2	4.6	4.5	4.6	4.3

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1B)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED
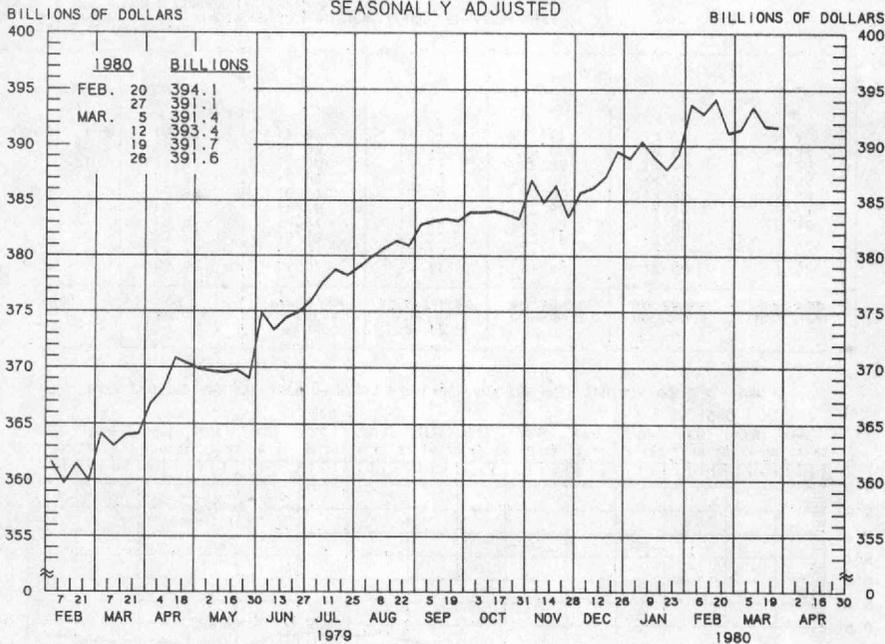
BILLIONS OF DOLLARS   BILLIONS OF DOLLARS

1980		BILLIONS
FEB.	20	394.1
	27	391.1
MAR.	5	391.4
	12	393.4
	19	391.7
	26	391.6

7 21 7 21 4 18 2 16 30 13 27 11 25 8 22 5 19 3 17 31 14 28 12 26 9 23 6 20 5 19 2 16 30
FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR
1979   1980

LATEST DATA PLOTTED WEEK ENDING: MARCH 26, 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:

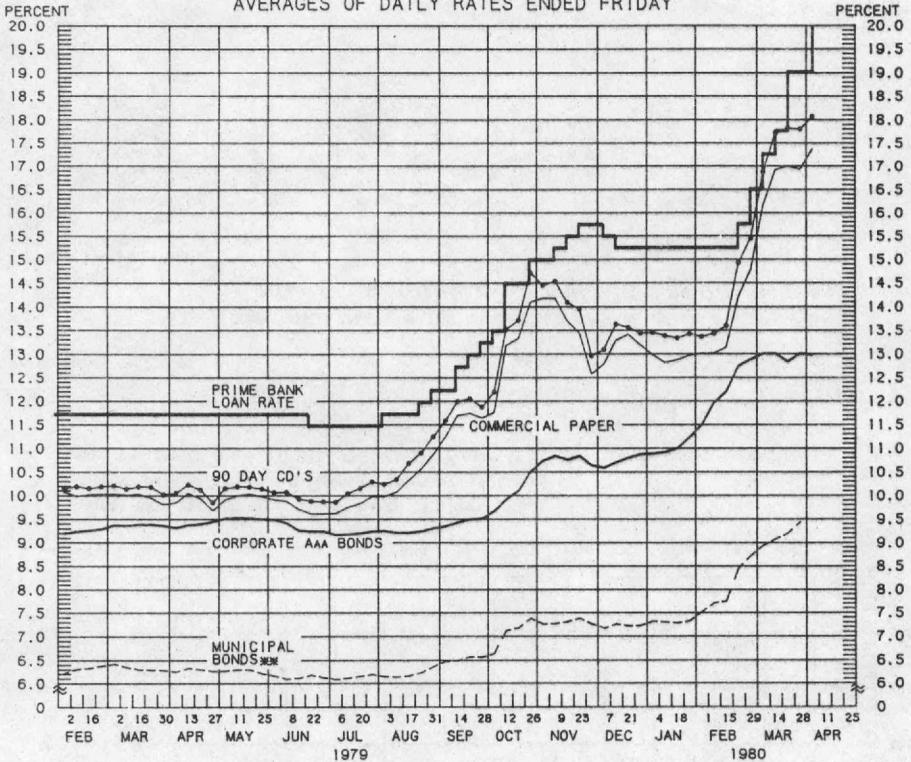| TO THE AVERAGE OF FOUR WEEKS ENDING:	3/28/79	6/27/79	8/29/79	9/26/79	10/24/79	11/28/79	12/26/79	1/23/80
8/29/79	11.3							
9/26/79	10.9	9.6						
10/24/79	9.8	8.0	5.6					
11/28/79	8.9	7.1	5.0	3.5				
12/26/79	8.6	6.9	5.2	4.2	4.9			
1/23/80	8.4	6.9	5.5	4.8	5.4	6.2		
2/27/80	8.7	7.4	6.5	6.2	6.9	8.0	9.0	
3/26/80	7.8	6.3	5.2	4.7	5.1	5.3	5.2	4.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

5

YIELDS ON SELECTED SECURITIES
AVERAGES OF DAILY RATES ENDED FRIDAY

PRIME BANK LOAN RATE

COMMERCIAL PAPER

90 DAY CD'S

CORPORATE AAA BONDS

MUNICIPAL BONDS※※

PERCENT

LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: APRIL 4, 1980

| 1980	90 DAY CD'S	PRIME COMMERCIAL PAPER ※※※	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ※※
FEB. 1	13.36	13.01	13.11	11.49	12.69	7.52
8	13.43	13.01	13.13	11.95	13.11	7.71
15	13.59	13.13	13.33	12.19	13.41	7.75
22	14.93	14.21	14.65	12.74	13.82	8.46
29	15.45	14.78	15.10	12.88	14.16	8.72
MAR. 7	16.87	16.17	16.59	13.00	14.27	8.94
14	17.71	16.92	17.24	13.00	14.35	9.08
21	17.82	17.00	17.22	12.83	14.45	9.20
28	17.80	16.93	17.29	13.00	14.67	9.44
APR. 4 ※	18.07	17.37	17.51	12.97	14.76	N.A.
11						
18						
25						

※ 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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SELECTED INTEREST RATES
AVERAGES OF DAILY RATES ENDED FRIDAY
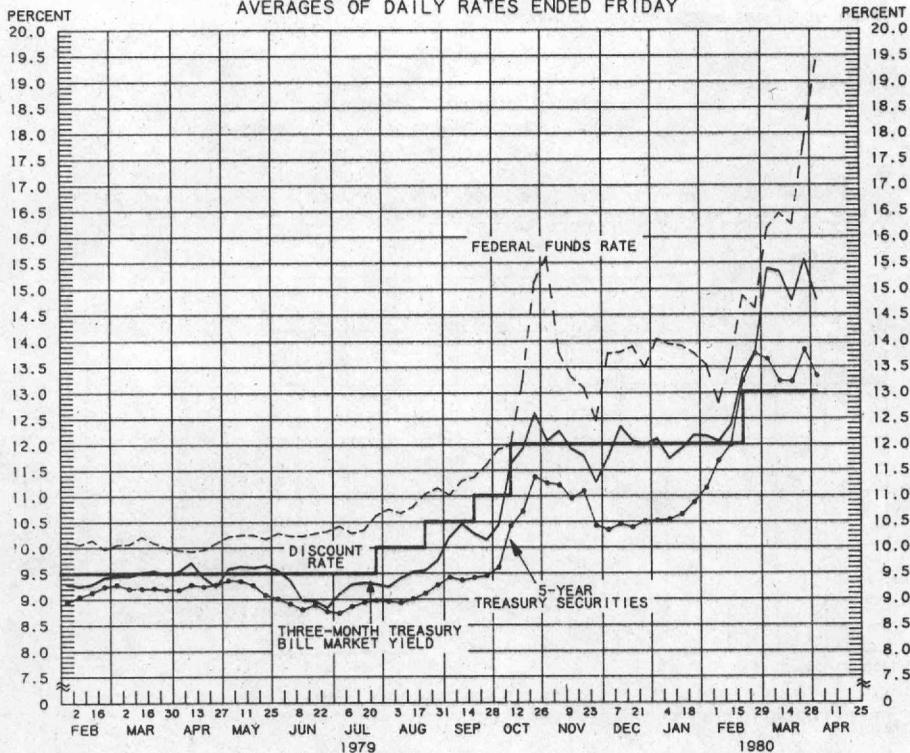
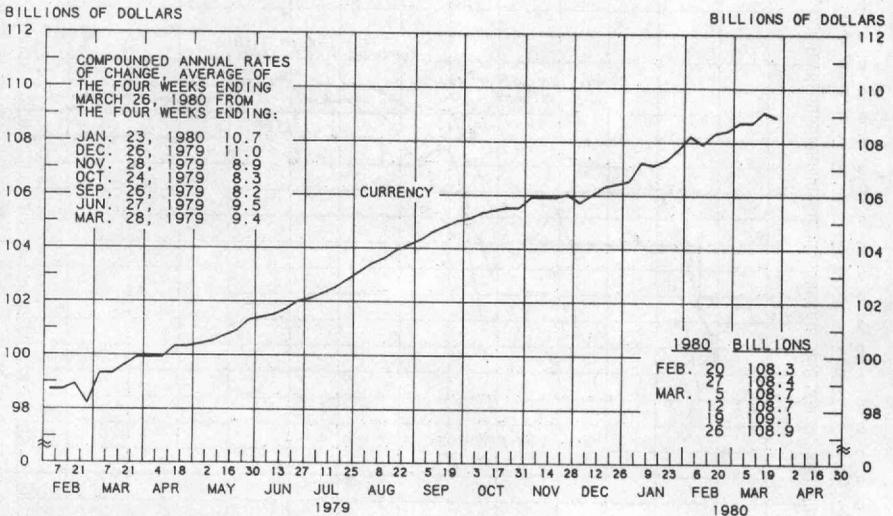LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: APRIL 4, 1980

1980	FEDERAL FUNDS **	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL ***	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
FEB. 1	13.54	12.15	11.85	11.23	11.15	11.01
8	12.80	12.05	11.99	11.51	11.68	11.51
15	13.64	12.36	12.26	11.91	11.99	11.76
22	14.87	13.38	13.01	13.12	13.22	12.53
29	14.62	13.78	13.63	13.53	13.76	12.49
MAR. 7	16.17	15.37	14.79	13.94	13.65	12.41
14	16.45	15.32	14.96	13.92	13.22	12.11
21	16.24	14.76	14.95	13.89	13.21	12.06
28	17.78	15.55	15.70	14.39	13.83	12.47
APR. 4 *	19.39	14.78	14.80	13.90	13.32	12.21
11						
18						
25						

* 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

7

MULTIPLIER [1]
CURRENCY OF MONEY STOCK MEASURES [2]
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

RATIO
RATIO

MULTIPLIER

1980	RATIO
FEB. 20	2.406
27	2.395
MAR. 5	2.392
12	2.402
19	2.400
26	2.387

LATEST DATA PLOTTED WEEK ENDING: MARCH 26, 1980

BILLIONS OF DOLLARS
BILLIONS OF DOLLARS

COMPOUNDED ANNUAL RATES
OF CHANGE, AVERAGE OF
THE FOUR WEEKS ENDING
MARCH 26, 1980 FROM
THE FOUR WEEKS ENDING:

JAN. 23, 1980	10.7
DEC. 26, 1979	11.0
NOV. 28, 1979	8.9
OCT. 24, 1979	8.3
SEP. 26, 1979	8.2
JUN. 27, 1979	9.5
MAR. 28, 1979	9.4

CURRENCY

1980	BILLIONS
FEB. 20	108.3
27	108.4
MAR. 5	108.7
12	108.7
19	109.1
26	108.9

7 21 7 21 4 18 2 16 30 13 27 11 25 8 22 5 19 3 17 31 14 28 12 26 9 23 6 20 5 19 2 16 30
FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR
1979 1980
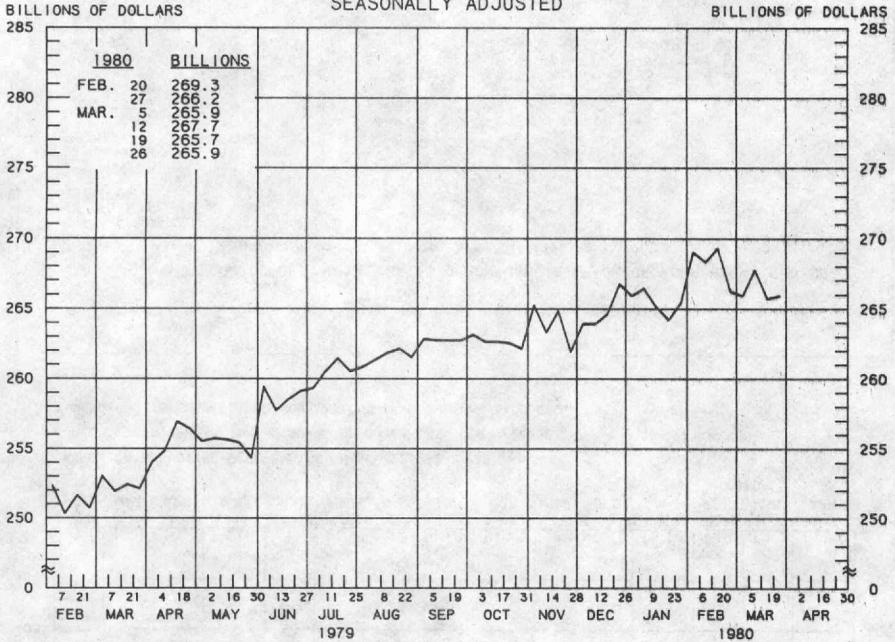
LATEST DATA PLOTTED WEEK ENDING: MARCH 26, 1980

1/ RATIO OF MONEY STOCK (M1A) / ADJUSTED MONETARY BASE

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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

BILLIONS OF DOLLARS

1980	BILLIONS
FEB. 20	269.3
27	266.2
MAR. 5	265.9
12	267.7
19	265.7
26	265.9

BILLIONS OF DOLLARS

LATEST DATA PLOTTED WEEK ENDING: MARCH 26, 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:

TO THE AVERAGE OF FOUR WEEKS ENDING:	3/28/79	6/27/79	8/29/79	9/26/79	10/24/79	11/28/79	12/26/79	1/23/80
8/29/79	8.9							
9/26/79	8.3	6.3						
10/24/79	7.2	4.8	2.5					
11/28/79	6.8	4.7	3.2	2.4				
12/26/79	6.6	4.8	3.7	3.2	4.7			
1/23/80	6.3	4.5	3.5	3.2	4.2	4.0		
2/27/80	6.8	5.5	5.0	5.0	6.2	6.8	7.6	
3/26/80	5.5	3.9	3.1	2.8	3.3	2.9	2.3	2.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

9

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

BILLIONS OF DOLLARS

1980		BILLIONS
FEB.	20	440.4
	27	441.0
MAR.	5	440.6
	12	441.4
	19	441.3
	26	442.6

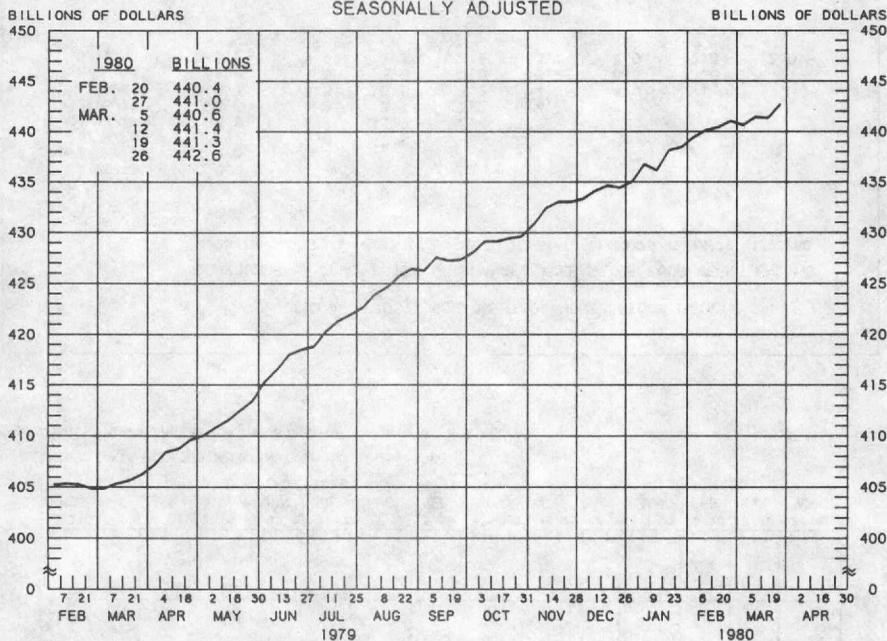LATEST DATA PLOTTED WEEK ENDING: MARCH 26, 1980

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:

TO THE AVERAGE OF FOUR WEEKS ENDING:	3/28/79	6/27/79	8/29/79	9/26/79	10/24/79	11/28/79	12/26/79	1/23/80
8/29/79	11.9							
9/26/79	10.9	9.9						
10/24/79	10.2	8.9	5.8					
11/28/79	10.0	8.8	6.8	7.2				
12/26/79	9.5	8.3	6.5	6.7	7.2			
1/23/80	9.3	8.2	6.7	6.9	7.3	6.5		
2/27/80	9.3	8.3	7.2	7.4	7.8	7.5	8.4	
3/26/80	8.9	7.9	6.7	6.9	7.1	6.7	7.0	6.8

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS
ALL MEMBER BANKS IN THE NATION
AVERAGES OF DAILY FIGURES

BILLIONS OF DOLLARS   BILLIONS OF DOLLARS

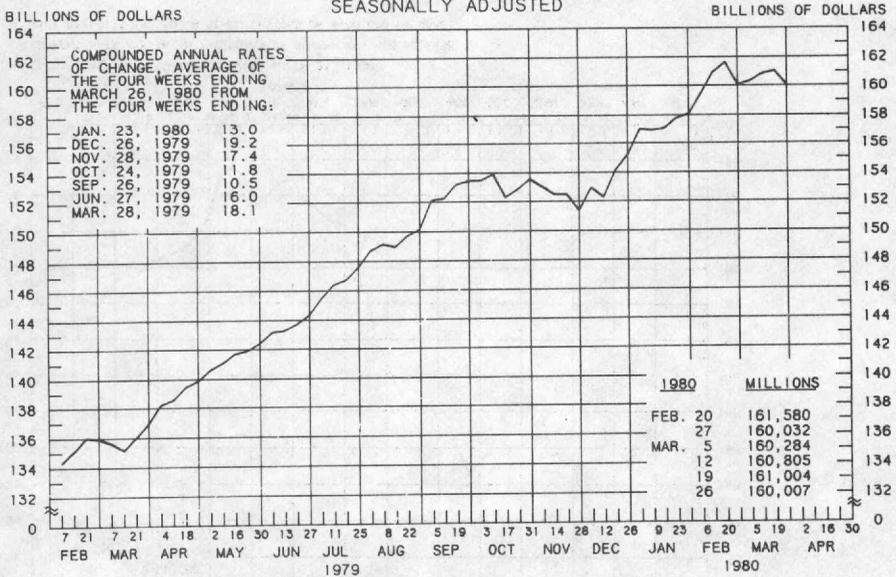| 1980	MILLIONS
FEB. 27	2057
MAR. 5	2508
12	3439
19	3001
26	2660
APR. 2	2262


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7 21   7 21   4 18   2 16 30  13 27  11 25   8 22   5 19   3 17 31  14 28  12 26   9 23   6 20   5 19   2 16 30
 FEB    MAR    APR    MAY     JUN    JUL     AUG    SEP    OCT     NOV    DEC     JAN    FEB    MAR    APR
              1979                                                            1980
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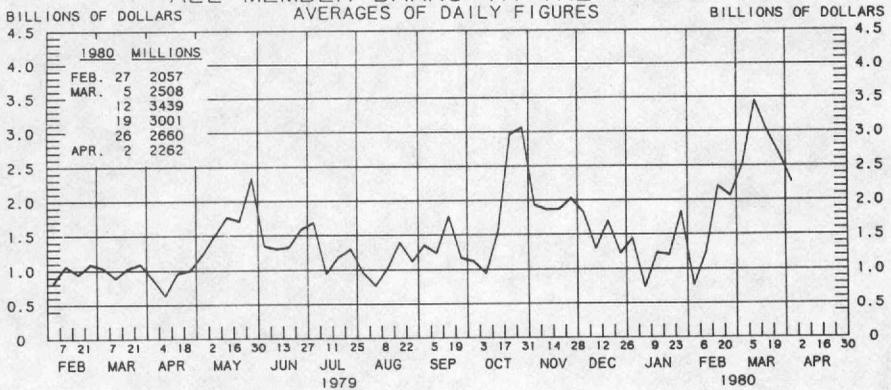
LATEST DATA PLOTTED WEEK ENDING: APRIL 2, 1980

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

BILLIONS OF DOLLARS   BILLIONS OF DOLLARS

COMPOUNDED ANNUAL RATES
OF CHANGE, AVERAGE OF
THE FOUR WEEKS ENDING
MARCH 26, 1980 FROM
THE FOUR WEEKS ENDING:

JAN. 23, 1980	13.0
DEC. 26, 1979	19.2
NOV. 28, 1979	17.4
OCT. 24, 1979	11.8
SEP. 26, 1979	10.5
JUN. 27, 1979	16.0
MAR. 28, 1979	18.1

1980	MILLIONS
FEB. 20	161,580
27	160,032
MAR. 5	169,284
12	160,805
19	161,004
26	160,007

```
7 21   7 21   4 18   2 16 30  13 27  11 25   8 22   5 19   3 17 31  14 28  12 26   9 23   6 20   5 19   2 16 30
 FEB    MAR    APR    MAY     JUN    JUL     AUG    SEP    OCT     NOV    DEC     JAN    FEB    MAR    APR
              1979                                                            1980
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LATEST DATA PLOTTED WEEK ENDING: MARCH 26, 1980

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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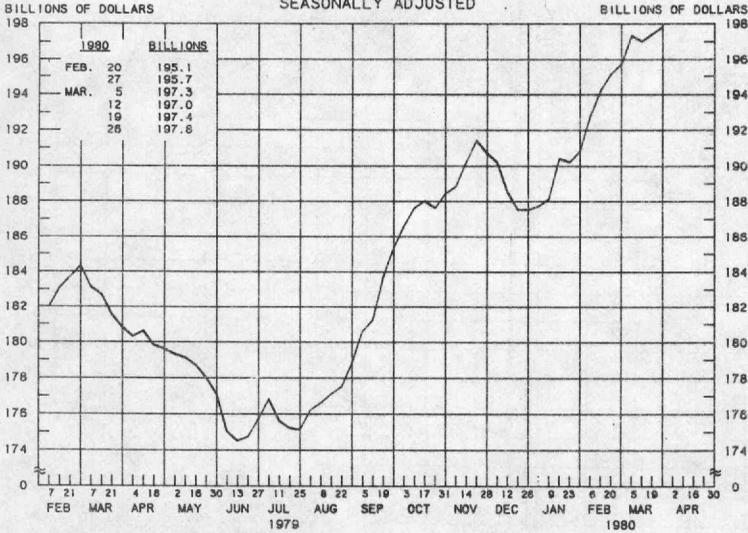
BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

1980		BILLIONS
FEB.	20	195.1
	27	195.7
MAR.	5	197.3
	12	197.0
	19	197.4
	26	197.8

LATEST DATA PLOTTED WEEK ENDING: MARCH 26, 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