



U.S. FINANCIAL DATA

Week ending: April 23, 1980

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The prime lending rate — the interest rate charged by commercial banks to corporate borrowers with the highest credit rating — was lowered to 19.50 percent in the past week from the historic high of 20 percent. This is the seventh time the rate has changed since the beginning of the year, and the first time it has decreased during this period. The decline in the prime rate reflects the decreasing cost to banks of obtaining additional loanable funds. A primary source of such loanable funds are large, negotiable certificates of deposit (CDs).

The interest rate on CDs has fallen sharply during the past few weeks (see table). Consequently, the banks' effective cost of funds — the market CD interest rate divided by one minus the reserve requirement on new CDs — has shown a marked decline. The reserve requirement used to calculate the effective cost of funds includes the member bank reserve requirement of 6 percent on time deposits in excess of \$5 million with initial maturities of 30-179 days and a supplementary reserve requirement of 2 percent on time deposits in denominations of \$100,000 or more. For instance, using the marginal reserve requirement of 8 percent, the effective cost of funds for the week ending April 4 was 19.64 percent. In the past week, however, the effective cost was 16.22 percent.*

Interest rates on securities other than CDs have also decreased sharply in recent weeks (see table). This general downward movement contrasts with the surge of rates that occurred during February. For example, during the five-week period from the week ending February 1 to the week ending March 7, the interest rate on one-year Treasury bills increased from 11.23 percent to 13.94 percent. Over the recent three-week period, however, this interest rate has fallen over 300 basis points, from 13.90 percent to 10.84 percent.

CHANGES IN YIELDS OF SELECTED SECURITIES (Changes in basis points, weekly averages of daily rates)

	<u>2/1-3/7</u>	<u>3/7-4/4</u>	<u>4/4-4/25</u>
Federal funds	263	322	-183
90-day certificates of deposit	351	120	-315
3-month Treasury bills	322	-59	-250
4-month commercial paper	316	120	-294
1-year Treasury bills	271	-4	-306
5-year Treasury securities	250	-36	-223
Corporate Aaa bonds	151	-5	-147
Long-Term Treasury securities	140	-21	-152

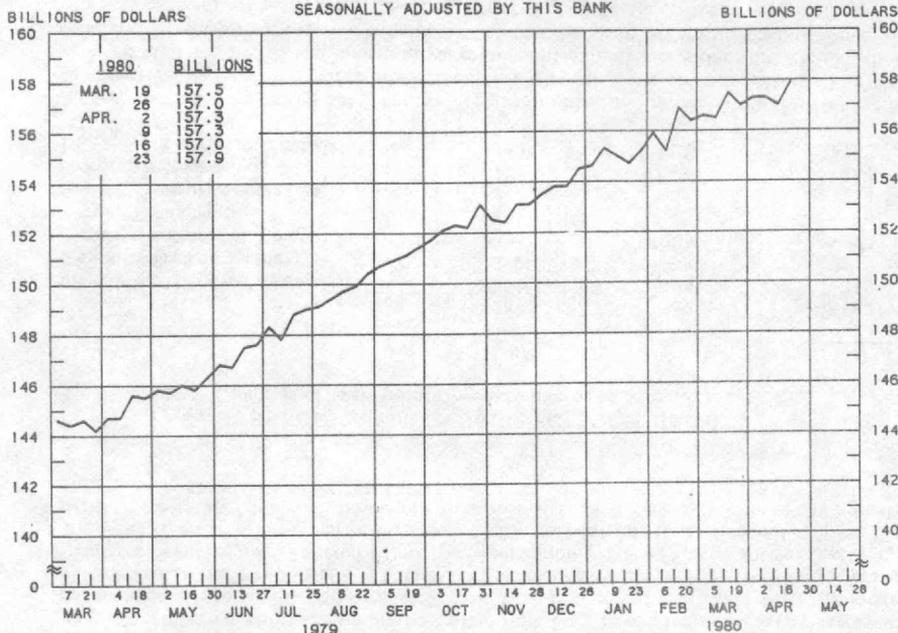
* Because of the marginal reserve requirements on managed liabilities, the effective cost of funds for some banks is greater than that reported. For the week ending April 4, the marginal reserve requirement was 8 percent which, when added to the other reserve requirements, results in an effective cost of funds of 21.51 percent. The Federal Reserve Board increased the reserve requirement on managed liabilities to 10 percent in its recent credit restraint actions. Using this new 10 percent figure, the effective cost of funds in the past week was 18.20 percent.

Prepared by Federal Reserve Bank of St. Louis

Released: April 25, 1980

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: APRIL 23, 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:

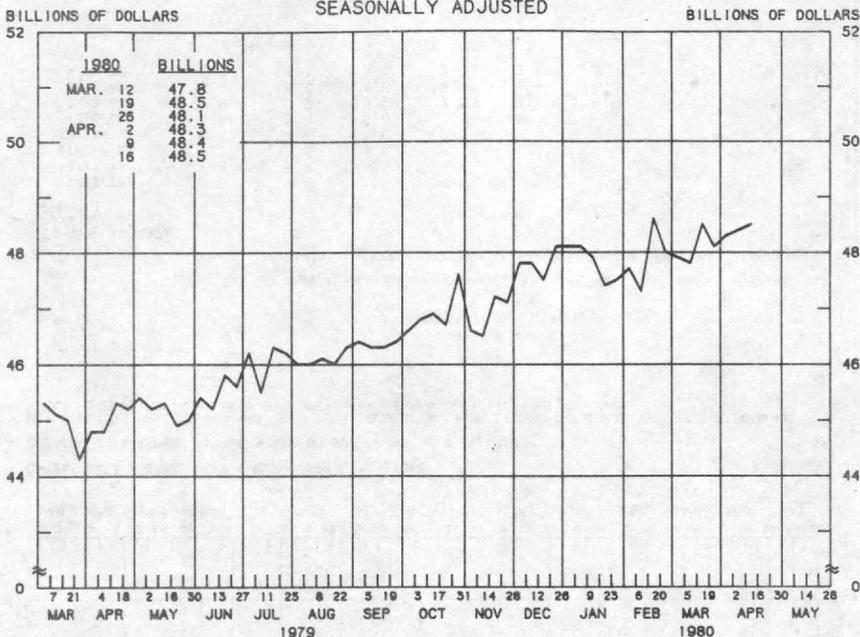
4/25/79 7/25/79 9/26/79 10/24/79 11/21/79 12/26/79 1/23/80 2/20/80

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

9/26/79	9.9							
10/24/79	9.9	10.1						
11/21/79	9.4	9.1	8.0					
12/26/79	9.1	8.8	7.9	7.0				
1/23/80	9.1	8.8	8.1	7.6	8.2			
2/20/80	9.0	8.7	8.1	7.6	8.1	8.3		
3/26/80	8.8	8.5	8.0	7.6	7.9	8.0	7.7	
4/23/80	8.5	8.1	7.5	7.1	7.3	7.1	6.6	6.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED BANK RESERVES ↓
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: APRIL 16, 1980

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

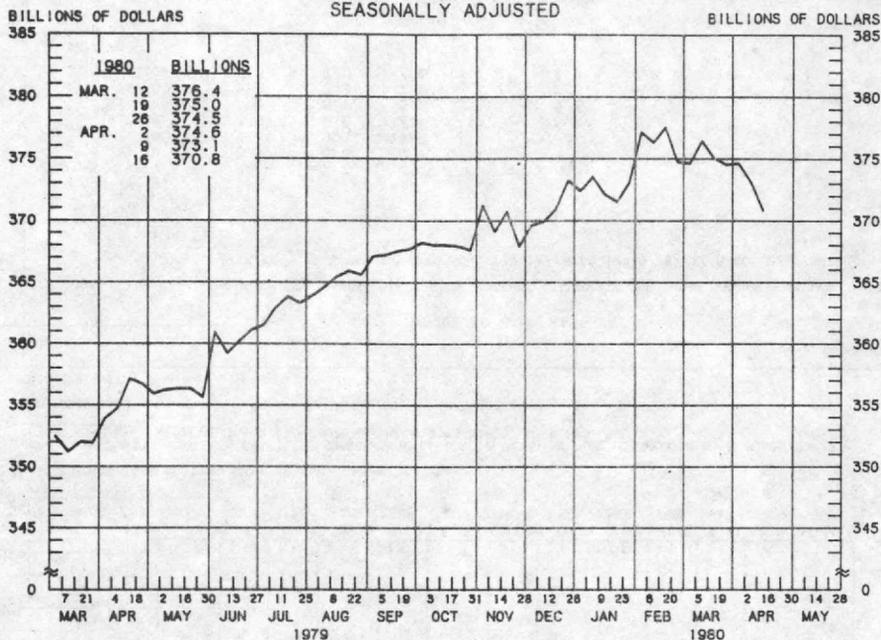
ADJUSTED BANK RESERVES

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	4/18/79	7/18/79	9/19/79	10/17/79	11/14/79	12/19/79	1/16/80	2/13/80
9/19/79	8.1							
10/17/79	8.7	7.2						
11/14/79	8.3	6.8	8.7					
12/19/79	9.4	9.0	11.7	11.7				
1/16/80	9.9	9.8	12.4	12.5	15.7			
2/13/80	7.3	6.1	6.5	5.3	5.2	-1.4		
3/19/80	8.0	7.2	7.9	7.2	7.6	4.3	0.0	
4/16/80	7.8	7.0	7.6	7.0	7.2	4.6	1.7	10.1

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MONEY STOCK (M1A)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: APRIL 16, 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.

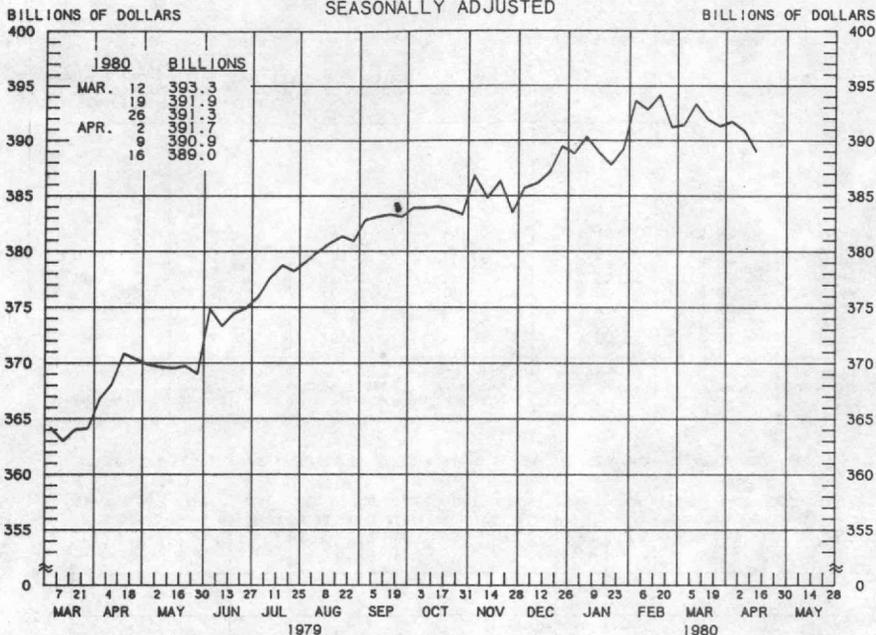
MONEY STOCK (M1A)

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

TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

	4/18/79	7/18/79	9/19/79	10/17/79	11/14/79	12/19/79	1/16/80	2/13/80
9/19/79	8.5							
10/17/79	7.8	6.4						
11/14/79	7.2	5.8	3.8					
12/19/79	6.4	4.8	3.0	2.5				
1/16/80	7.0	5.9	5.0	5.3	6.1			
2/13/80	6.9	5.9	5.2	5.5	6.1	8.9		
3/19/80	6.4	5.3	4.6	4.7	4.9	6.2	3.8	
4/16/80	5.3	4.1	3.0	2.9	2.8	3.1	0.5	-1.8

MONEY STOCK (M1B)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: APRIL 16, 1980

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

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

MONEY STOCK (M1B)

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

4/18/79 7/18/79 9/19/79 10/17/79 11/14/79 12/19/79 1/16/80 2/13/80

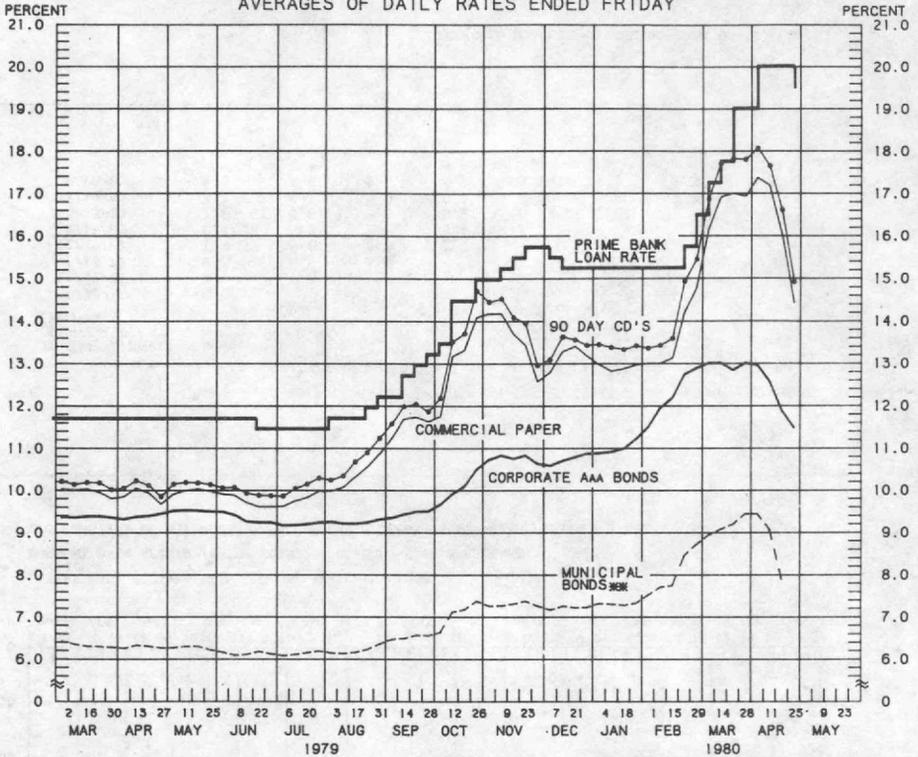
TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

9/19/79	10.0							
10/17/79	9.1	7.5						
11/14/79	8.3	6.6	3.8					
12/19/79	7.4	5.6	3.3	2.9				
1/16/80	8.1	6.8	5.6	6.1	7.3			
2/13/80	7.8	6.6	5.5	5.9	6.6	9.3		
3/19/80	7.3	6.1	5.0	5.2	5.6	6.8	3.9	
4/16/80	6.3	4.9	3.7	3.7	3.7	4.1	1.3	-0.3

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



1980	90 DAY CD'S	PRIME COMMERCIAL PAPER ^{1/4}	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ^{1/4}
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	12.95	14.75	9.44
11	17.65	17.19	17.12	12.57	14.56	9.07
18	16.62	16.03	16.06	11.87	14.11	7.89
25 *	14.92	14.43	14.53	11.48	13.88	N.A.
MAY 2						
9						
16						
23						
30						

* AVERAGES OF RATES AVAILABLE.

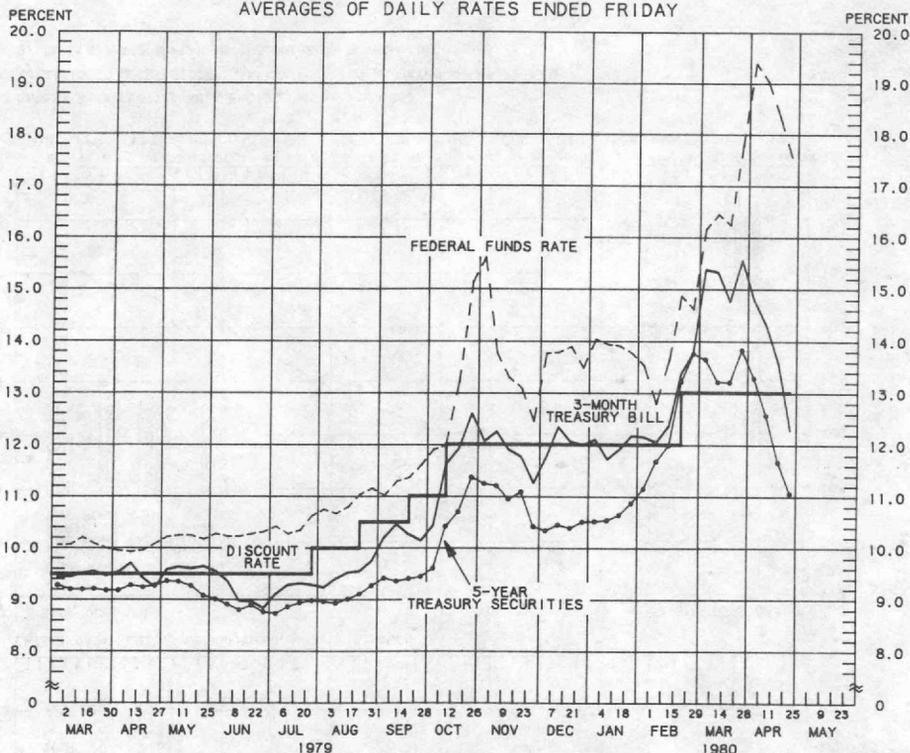
^{1/4} BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

^{1/4} 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 25, 1980

1980	FEDERAL FUNDS [⌘]	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL ^{⌘⌘}	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	13.29	12.20
11	19.04	14.30	14.23	13.11	12.57	11.61
18	18.35	13.57	13.55	11.97	11.67	10.95
25 [⌘]	17.56	12.28	11.89	10.84	11.06	10.68
MAY 2						
9						
16						
23						
30						

[⌘] 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.

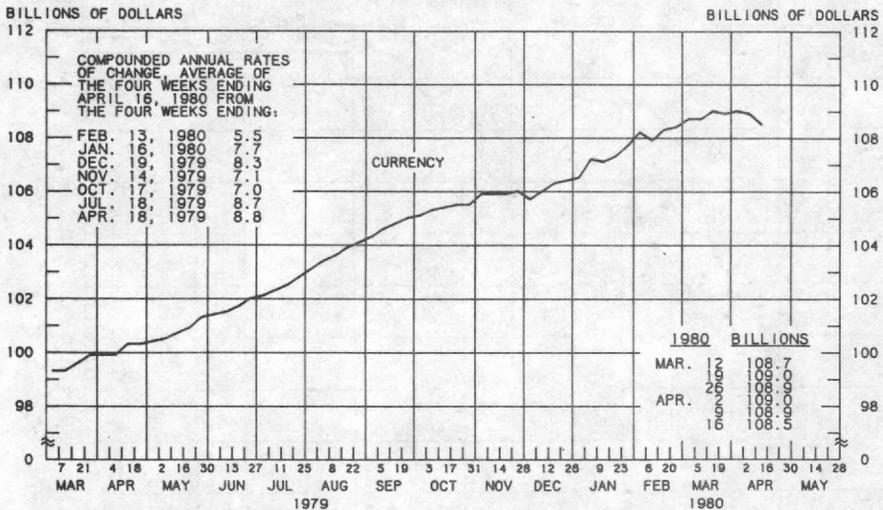
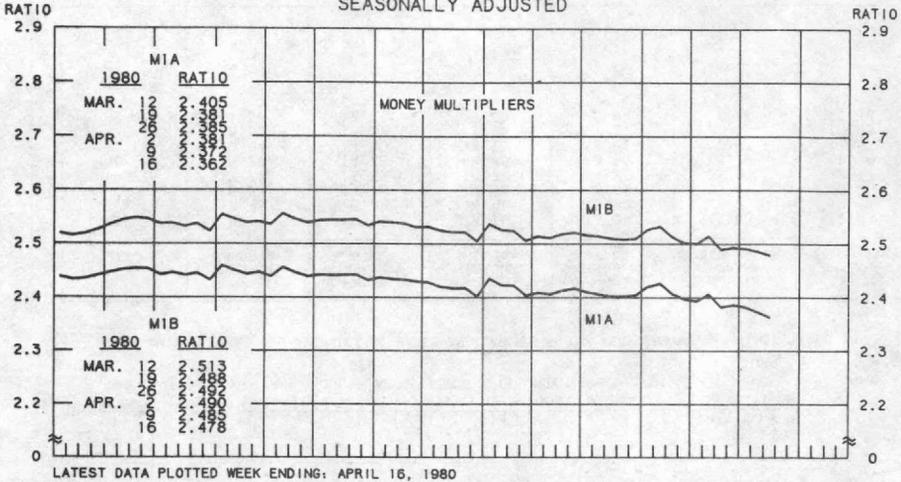
^{⌘⌘⌘} NEW ISSUE RATE

RATES ON LONG-TERM TREASURY SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.

TREASURY BILL YIELDS ON DISCOUNT BASIS.

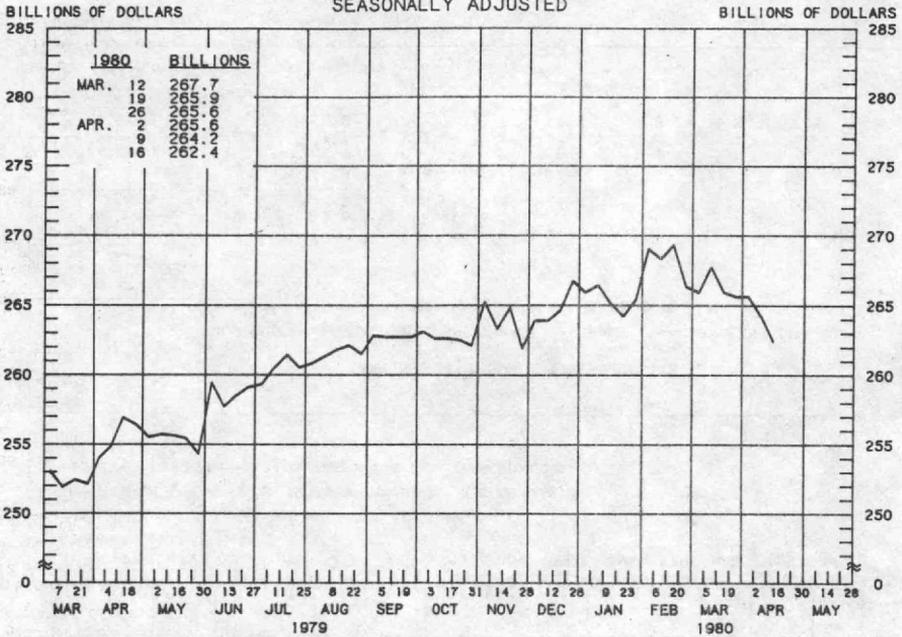
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MULTIPLIERS ^{1/} CURRENCY OF MONEY STOCK MEASURES ^{2/} AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



1/ RATIO OF MONEY STOCK (MIA) OR (MIB) TO ADJUSTED MONETARY BASE
2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

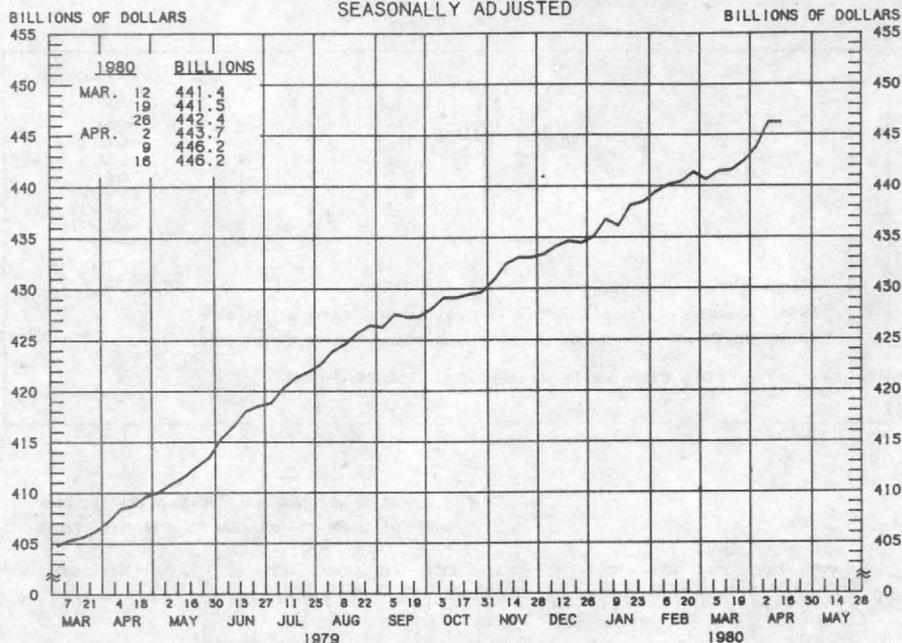


LATEST DATA PLOTTED WEEK ENDING: APRIL 16, 1980
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK (M1A)									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	4/18/79	7/18/79	9/19/79	10/17/79	11/14/79	12/19/79	1/16/80	2/13/80	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
9/19/79	7.5								
10/17/79	6.6	4.2							
11/14/79	6.1	3.8	2.3						
12/19/79	5.4	3.2	1.8	1.8					
1/16/80	6.1	4.6	4.3	5.0	6.1				
2/13/80	5.8	4.4	4.1	4.6	5.3	7.9			
3/19/80	5.1	3.7	3.1	3.4	3.6	4.5	1.1		
4/16/80	3.9	2.3	1.4	1.3	1.1	1.0	-2.2	-4.7	

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: APRIL 16, 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:

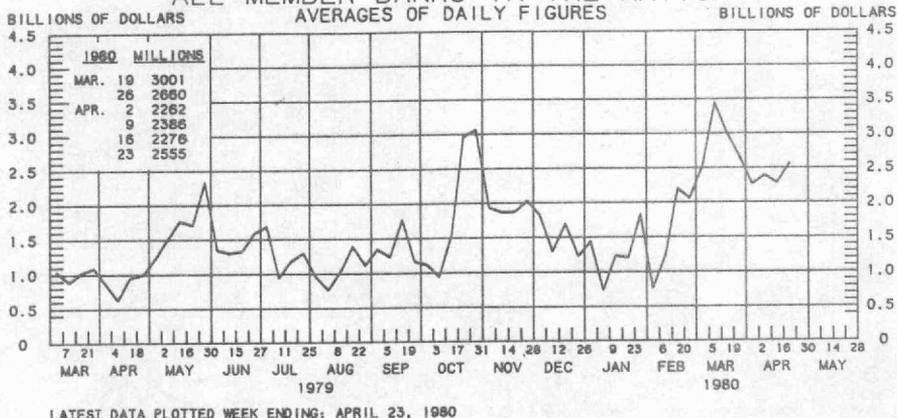
4/18/79 7/18/79 9/19/79 10/17/79 11/14/79 12/19/79 1/16/80 2/13/80

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

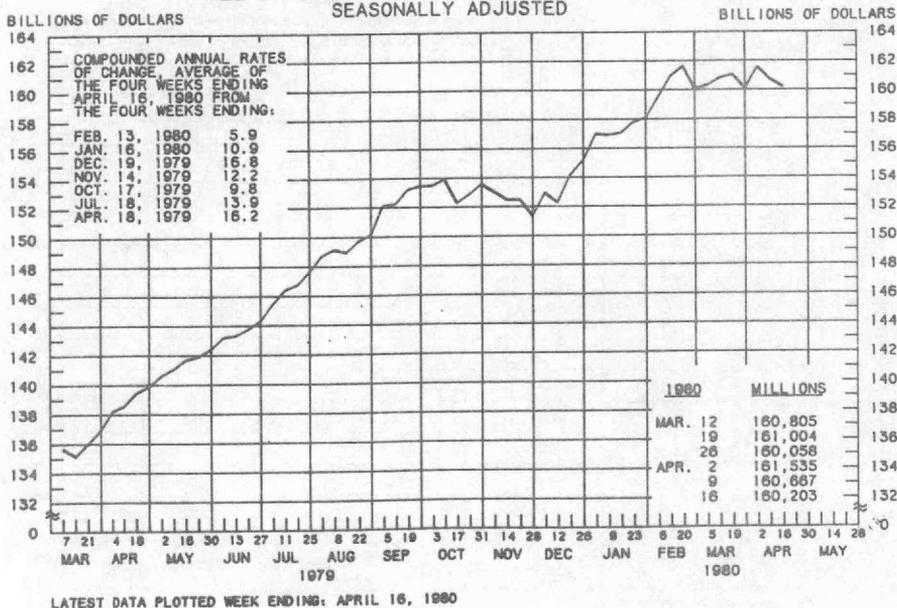
9/19/79	11.5								
10/17/79	10.5	8.6							
11/14/79	10.0	8.2	5.9						
12/19/79	9.7	8.1	6.7	7.5					
1/16/80	9.3	7.7	6.4	6.9	6.9				
2/13/80	9.4	8.1	7.2	7.8	8.0	8.1			
3/19/80	9.0	7.7	6.9	7.2	7.3	7.0	7.7		
4/16/80	9.1	8.0	7.3	7.7	7.9	7.8	8.5	7.6	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

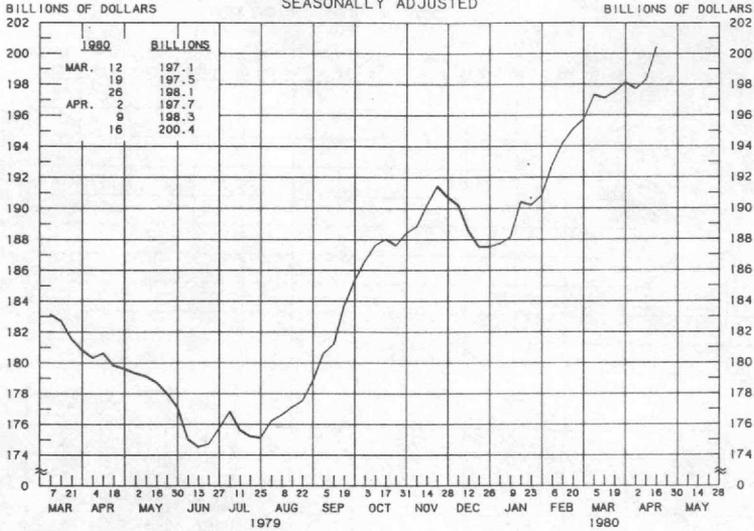


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: APRIL 16, 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