



S. FINANCIAL DATA

Week ending: July 30, 1980

LIBRARY

lowered. The discount rate and prime lending rate have been lowered. The discount rate — the interest rate charged by the Federal Reserve to its member banks for borrowing — was decreased 100 basis points to 10 percent, and this decrease, the second since May, reestablishes the discount rate at last year's level. Continuing its downward movement, the prime rate has been reduced by most large commercial banks from 11.50 percent to 11 percent. This reduction, the ninth since the April peak of 20 percent, brings the prime rate back to the level of June, 1979.

The decrease in the discount rate has reduced the spread between the discount rate and the prevailing federal funds rate. Borrowings 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. These borrowings tend to increase when the federal funds-discount rate spread widens, and decrease when this spread is reduced. Since mid-May, however, the discount rate has been higher than the federal funds rate. The impact of this negative spread is clearly demonstrated by member banks' borrowing behavior. For example, during the month of April, the federal funds-discount rate spread averaged about 500 basis points, and borrowings averaged about \$2.4 billion. In contrast, during the month of July the federal funds rate averaged 174 basis points less than the discount rate, and borrowings from the discount window averaged only about \$376 million.

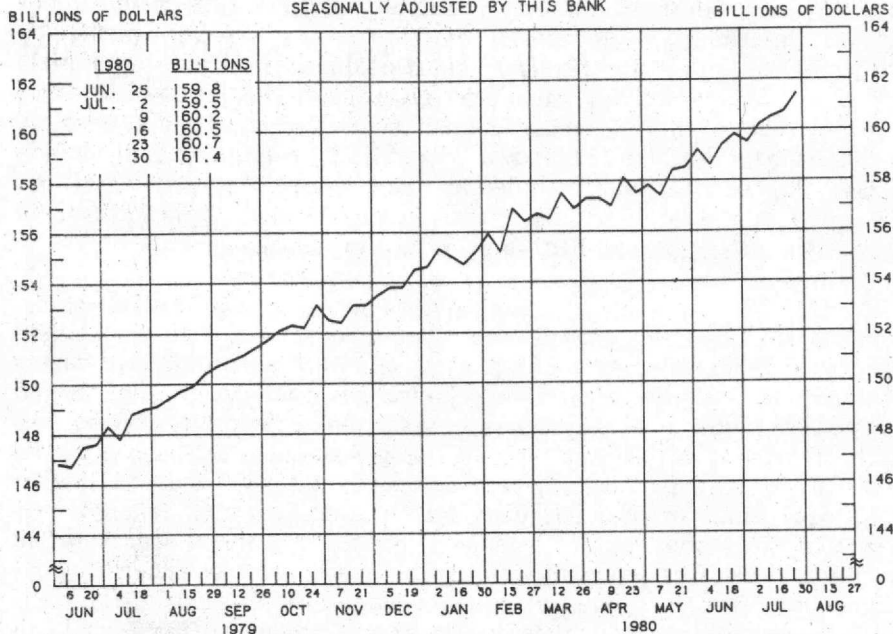
The decrease in the prime rate reflects the effects of decreasing costs to banks of obtaining additional loanable funds and the reduction of business loan demands engendered by the overall decline in economic activity. Because large, negotiable certificates of deposit (CDs) represent a primary source of additional loanable funds to banks, changes in the CD rate (in conjunction with the applicable reserve requirements) are reflected in the cost of additional funds. For example, based on a marginal reserve requirement of 8 percent for new CDs (and assuming that the bank was not subject to the marginal reserve requirement on managed liabilities), the effective cost of funds for the week ending April 4 was 19.64 percent. Given the decline in the CD rate and the elimination of several reserve requirements facing banks, the effective cost of funds is 9.48 for the most recent week.

Prepared by Federal Reserve Bank of St. Louis

Released: August 1, 1980

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: JULY 30, 1980

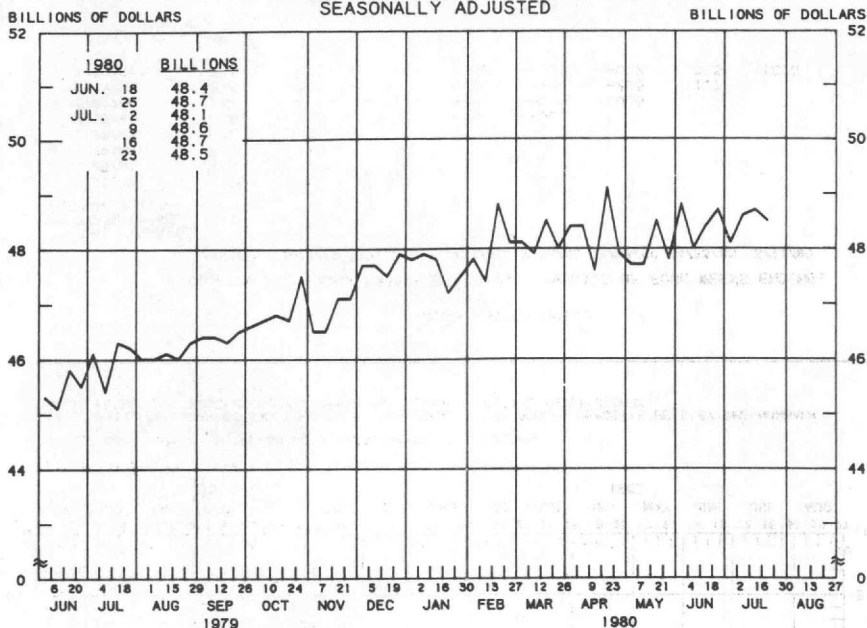
THE ADJUSTED MONETARY BASE CONSISTS OF: (1) MEMBER BANK RESERVES AT THE FEDERAL RESERVE BANKS, (2) CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), AND (3) AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED MONETARY BASE IS 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:

| | 8/1/79 | 10/31/79 | 1/2/80 | 1/30/80 | 2/27/80 | 4/2/80 | 4/30/80 | 5/28/80 |
|--------------------------------------|--------|----------|--------|---------|---------|--------|---------|---------|
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
| 1/ 2/80 | 9.0 | | | | | | | |
| 1/30/80 | 8.8 | 7.3 | | | | | | |
| 2/27/80 | 8.8 | 7.6 | 8.3 | | | | | |
| 4/ 2/80 | 8.5 | 7.4 | 7.7 | 7.7 | | | | |
| 4/30/80 | 8.0 | 6.8 | 6.7 | 6.3 | 5.3 | | | |
| 5/28/80 | 7.6 | 6.5 | 6.2 | 5.8 | 5.0 | 3.8 | | |
| 7/ 2/80 | 7.7 | 6.8 | 6.7 | 6.5 | 6.0 | 5.7 | 6.8 | |
| 7/30/80 | 8.1 | 7.3 | 7.4 | 7.4 | 7.1 | 7.2 | 8.4 | 10.3 |

ADJUSTED BANK RESERVES ✓ AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



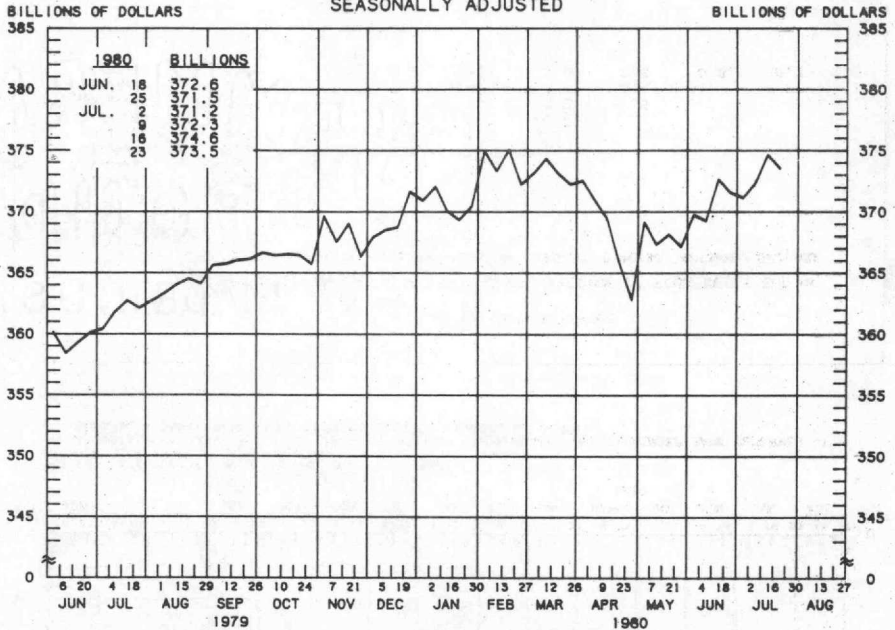
LATEST DATA PLOTTED WEEK ENDING: JULY 23, 1980

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: | | | | | | | | |
| | 7/25/79 | 10/24/79 | 12/26/79 | 1/23/80 | 2/20/80 | 3/26/80 | 4/23/80 | 5/21/80 |
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
| 12/26/79 | 9.0 | | | | | | | |
| 1/23/80 | 7.5 | 8.8 | | | | | | |
| 2/20/80 | 7.3 | 8.1 | 2.8 | | | | | |
| 3/26/80 | 6.9 | 7.2 | 3.4 | 4.9 | | | | |
| 4/23/80 | 7.0 | 7.4 | 4.6 | 6.0 | 6.2 | | | |
| 5/21/80 | 5.3 | 4.9 | 1.6 | 1.9 | 0.8 | -1.3 | | |
| 6/25/80 | 5.9 | 5.8 | 3.4 | 4.0 | 3.7 | 3.4 | 1.2 | |
| 7/23/80 | 5.4 | 5.2 | 2.9 | 3.4 | 3.0 | 2.6 | 0.8 | 6.2 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1A) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 23, 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.

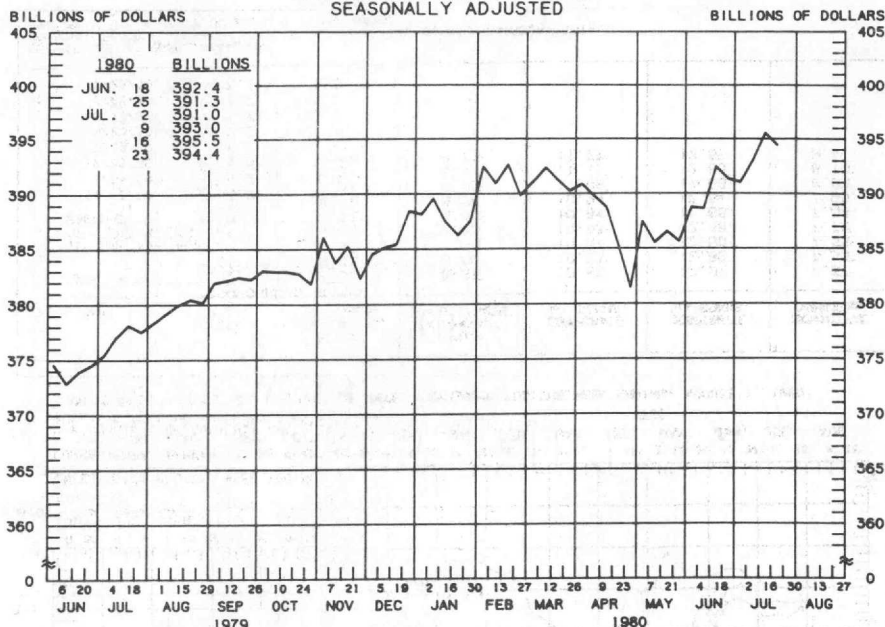
MONEY STOCK (M1A)

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

| | 7/25/79 | 10/24/79 | 12/26/79 | 1/23/80 | 2/20/80 | 3/26/80 | 4/23/80 | 5/21/80 |
|--------------------------------------|---------|----------|----------|---------|---------|---------|---------|---------|
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
| 12/26/79 | 4.9 | | | | | | | |
| 1/23/80 | 4.9 | 4.6 | | | | | | |
| 2/20/80 | 5.6 | 5.9 | 7.6 | | | | | |
| 3/26/80 | 4.7 | 4.4 | 4.4 | 4.1 | | | | |
| 4/23/80 | 2.9 | 1.8 | 0.4 | -1.0 | -5.6 | | | |
| 5/21/80 | 1.7 | 0.1 | -1.6 | -3.1 | -6.9 | -10.6 | | |
| 6/25/80 | 2.7 | 1.7 | 0.9 | 0.1 | -2.0 | -2.5 | 1.7 | |
| 7/23/80 | 3.1 | 2.3 | 1.7 | 1.2 | -0.3 | -0.2 | 3.5 | 10.0 |

MONEY STOCK (MIB)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 23, 1980

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

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

MONEY STOCK (MIB)

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

7/25/79 10/24/79 12/26/79 1/23/80 2/20/80 3/26/80 4/23/80 5/21/80

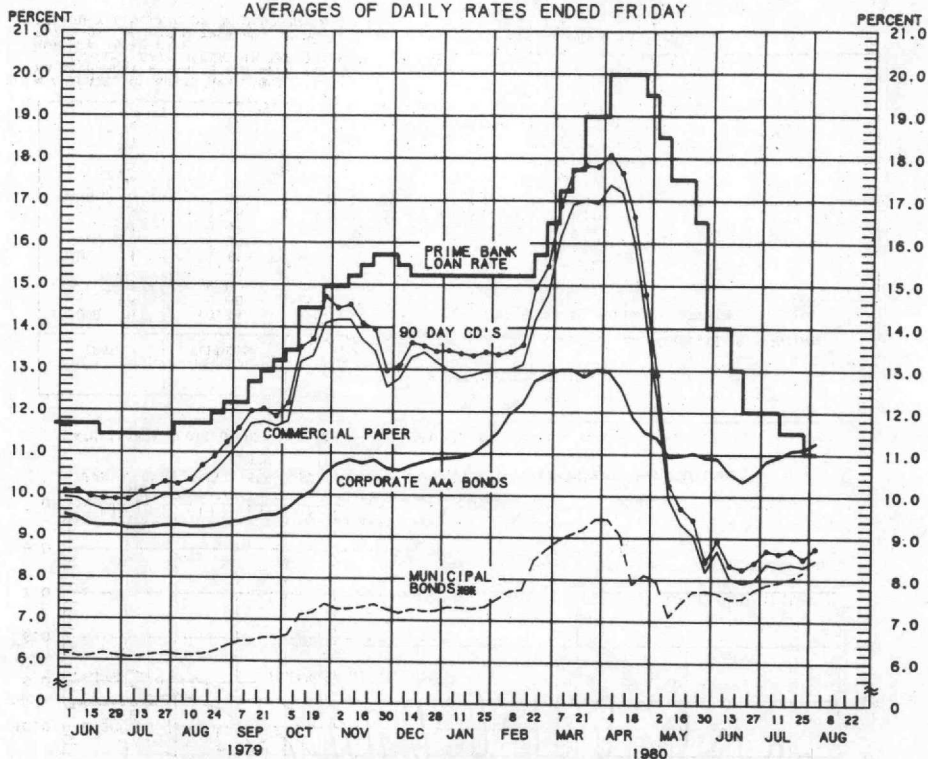
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

| | | | | | | | |
|----------|-----|-----|------|------|------|------|------|
| 12/26/79 | 5.7 | | | | | | |
| 1/23/80 | 5.8 | 5.2 | | | | | |
| 2/20/80 | 6.5 | 6.5 | 8.7 | | | | |
| 3/26/80 | 5.6 | 5.2 | 5.6 | 5.2 | | | |
| 4/23/80 | 4.1 | 3.0 | 2.2 | 0.8 | -3.4 | | |
| 5/21/80 | 2.6 | 1.0 | -0.4 | -2.0 | -5.7 | -9.6 | |
| 6/25/80 | 3.8 | 2.9 | 2.3 | 1.5 | -0.4 | -0.9 | 2.6 |
| 7/23/80 | 4.4 | 3.7 | 3.4 | 3.0 | 1.6 | 1.8 | 5.1 |
| | | | | | | | 13.1 |

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 | PRIME BANKERS' ACCEPTANCES | CORPORATE AAA BONDS | CORPORATE BAA BONDS | MUNICIPAL BONDS |
|--------|-------------|------------------------|----------------------------|---------------------|---------------------|-----------------|
| JUNE 6 | 8.92 | 8.69 | 8.68 | 10.88 | 12.92 | 7.67 |
| 13 | 8.34 | 8.03 | 8.06 | 10.53 | 12.82 | 7.53 |
| 20 | 8.25 | 7.92 | 8.08 | 10.34 | 12.60 | 7.55 |
| 27 | 8.41 | 8.00 | 8.33 | 10.53 | 12.48 | 7.76 |
| JULY 4 | 8.70 | 8.38 | 8.66 | 10.84 | 12.66 | 7.88 |
| 11 | 8.63 | 8.31 | 8.58 | 10.94 | 12.61 | 7.95 |
| 18 | 8.70 | 8.37 | 8.55 | 11.09 | 12.66 | 8.03 |
| 25 | 8.50 | 8.31 | 8.44 | 11.11 | 12.65 | 8.19 |
| AUG. 1 | 8.75 | 8.47 | 8.79 | 11.27 | 12.67 | N.A. |
| 8 | | | | | | |
| 15 | | | | | | |
| 22 | | | | | | |
| 29 | | | | | | |

■ AVERAGES OF RATES AVAILABLE.

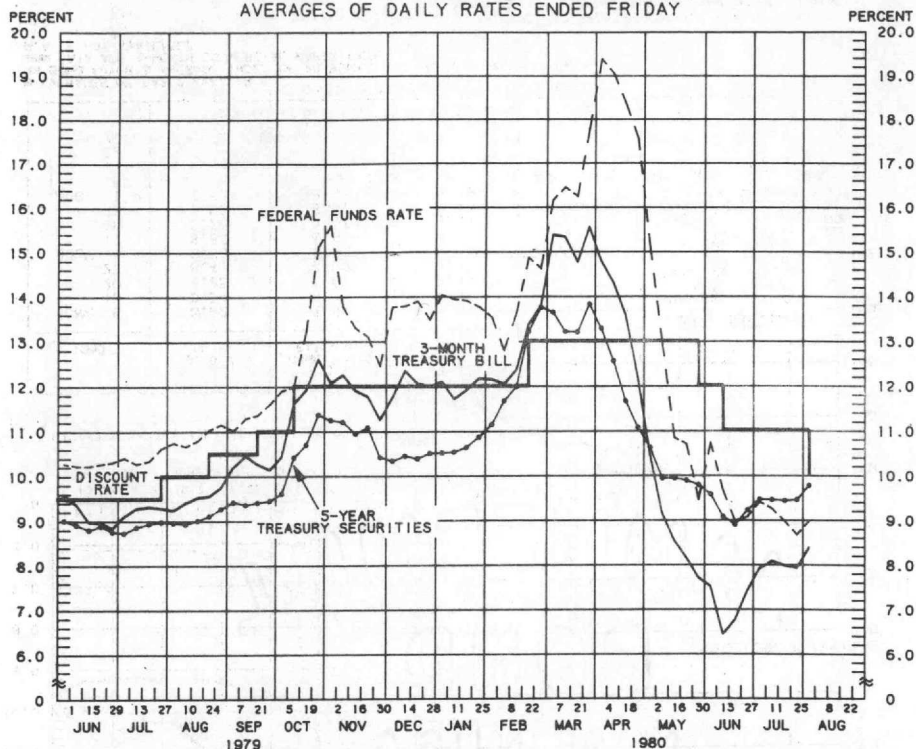
■ BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

■ DATA ARE 4-MONTH COMMERCIAL PAPER RATES.

N.A. - NOT AVAILABLE

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: AUGUST 1, 1980

| 1980 | FEDERAL FUNDS RATE | 3-MONTH TREASURY BILL | 6-MONTH TREASURY BILL | 1-YEAR TREASURY BILL | 5-YEAR TREASURY SECURITIES | LONG-TERM TREASURY SECURITIES |
|--------|--------------------|-----------------------|-----------------------|----------------------|----------------------------|-------------------------------|
| JUNE 6 | 10.74 | 7.51 | 8.17 | 7.91 | 9.58 | 10.08 |
| 13 | 9.68 | 6.44 | 6.94 | 7.23 | 9.08 | 9.64 |
| 20 | 8.99 | 6.76 | 6.66 | 7.30 | 8.90 | 9.45 |
| 27 | 9.08 | 7.42 | 7.11 | 7.65 | 9.23 | 9.74 |
| JULY 4 | 9.41 | 7.92 | 8.10 | 7.86 | 9.47 | 10.05 |
| 11 | 9.26 | 8.08 | 8.11 | 7.91 | 9.46 | 10.13 |
| 18 | 8.98 | 7.98 | 8.11 | 7.93 | 9.44 | 10.16 |
| 25 | 8.68 | 7.93 | 7.91 | 7.94 | 9.46 | 10.17 |
| AUG. 1 | 8.98 | 8.38 | 8.28 | 8.37 | 9.78 | 10.41 |
| 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.

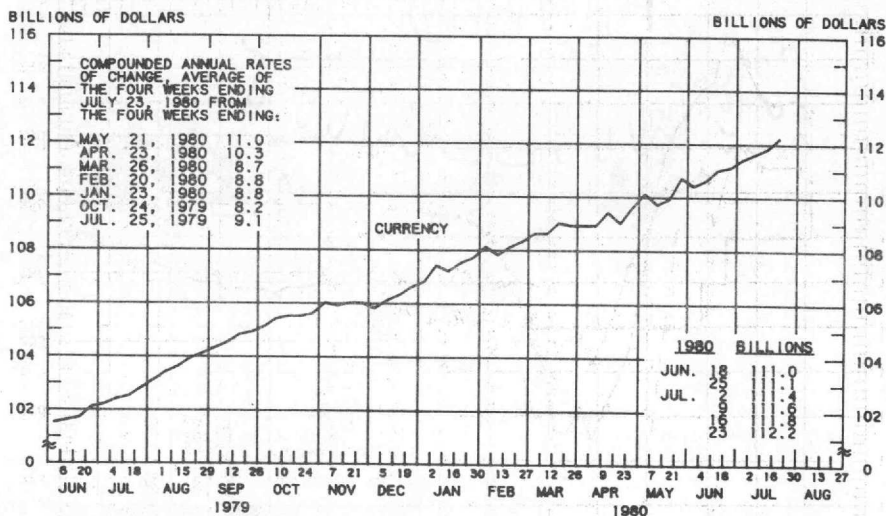
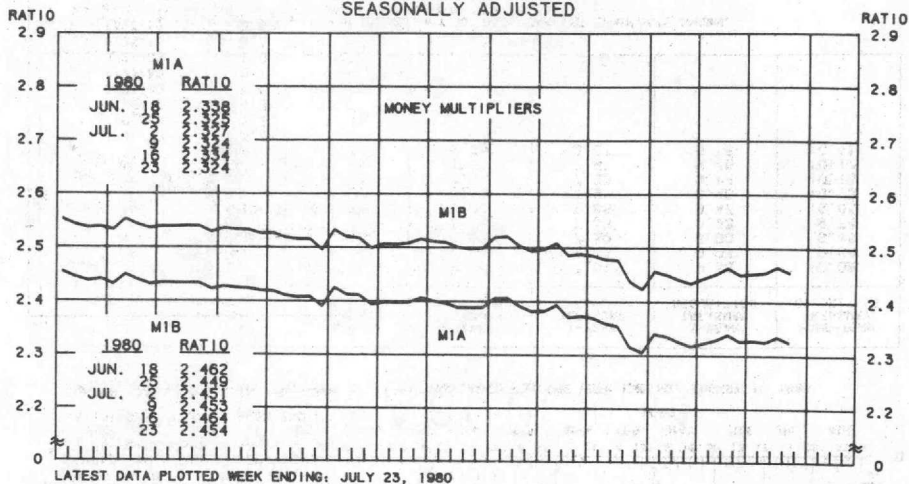
※ NEW ISSUE RATE

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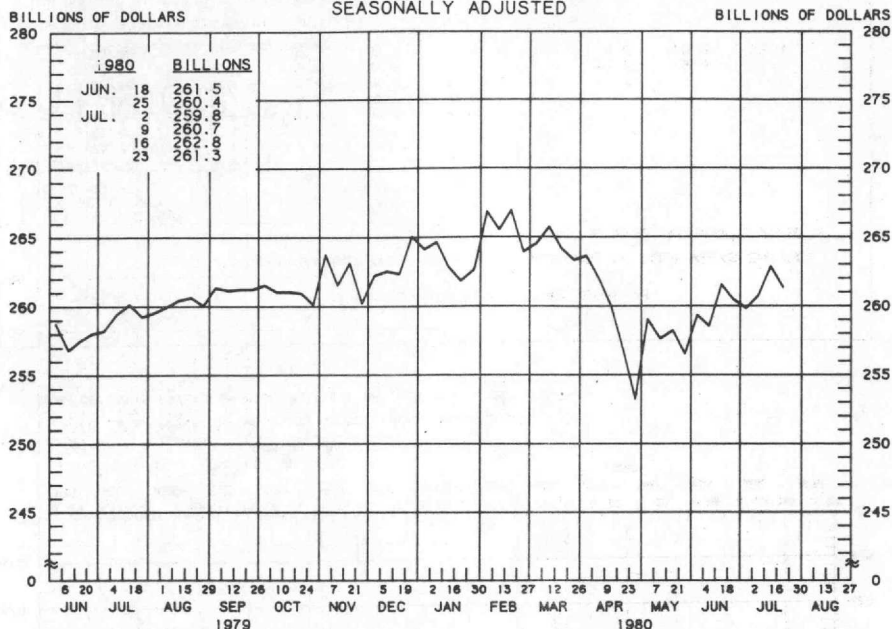
MULTIPLIERS 1/ CURRENCY OF MONEY STOCK MEASURES 2/ AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



1/ RATIO OF MONEY STOCK (M1A) OR (M1B) 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: JULY 23, 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:

7/25/79 10/24/79 12/26/79 1/23/80 2/20/80 3/26/80 4/23/80 5/21/80

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

| | | | | | | | |
|----------|------|------|------|------|-------|-------|---------|
| 12/26/79 | 3.5 | | | | | | |
| 1/23/80 | 3.2 | 3.4 | | | | | |
| 2/20/80 | 4.3 | 5.2 | 6.3 | | | | |
| 3/26/80 | 3.0 | 3.0 | 2.1 | 2.4 | | | |
| 4/23/80 | 0.7 | -0.4 | -2.8 | -4.0 | -10.2 | | |
| 5/21/80 | -1.0 | -2.7 | -5.6 | -7.1 | -12.2 | -16.8 | |
| 6/25/80 | 0.3 | -0.7 | -2.3 | -3.0 | -6.0 | -6.6 | -1.5 |
| 7/23/80 | 0.8 | 0.1 | -1.2 | -1.6 | -3.8 | -3.7 | 0.9 9.8 |

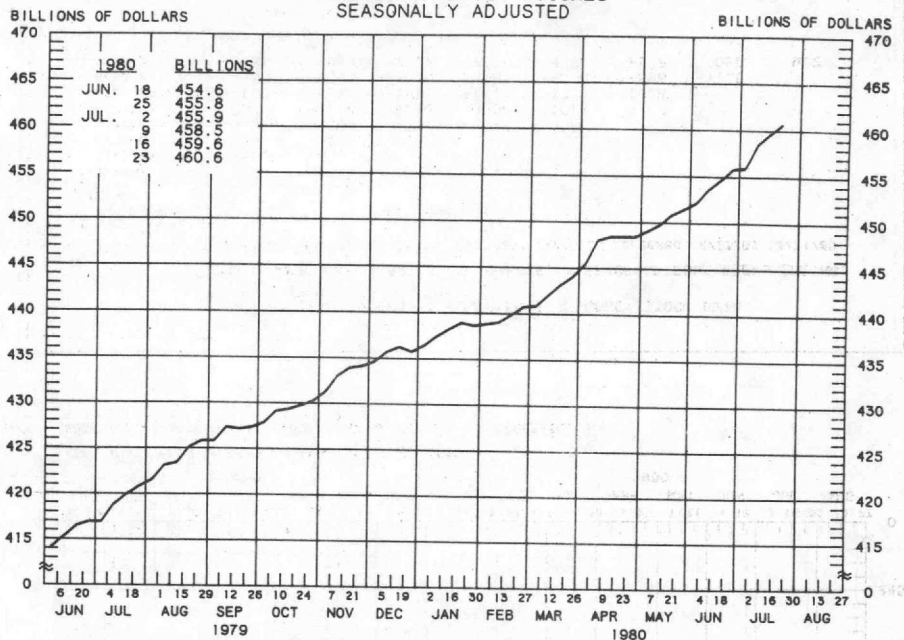
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SAVINGS PLUS SMALL TIME DEPOSITS

ALL COMMERCIAL BANKS

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 23, 1980

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

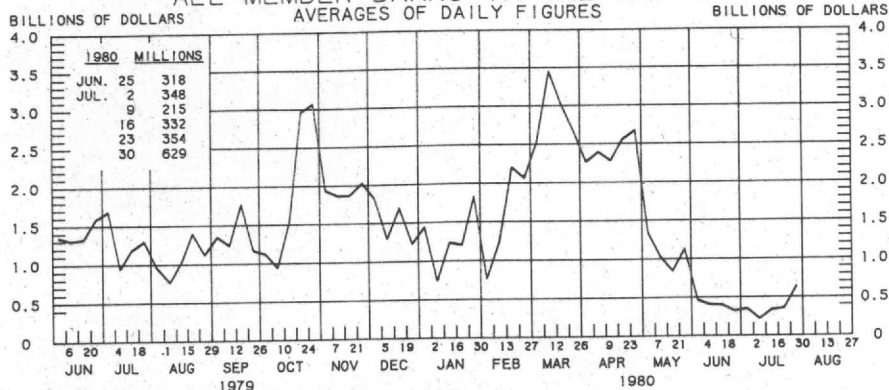
TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000.

SAVINGS PLUS SMALL TIME DEPOSITS

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

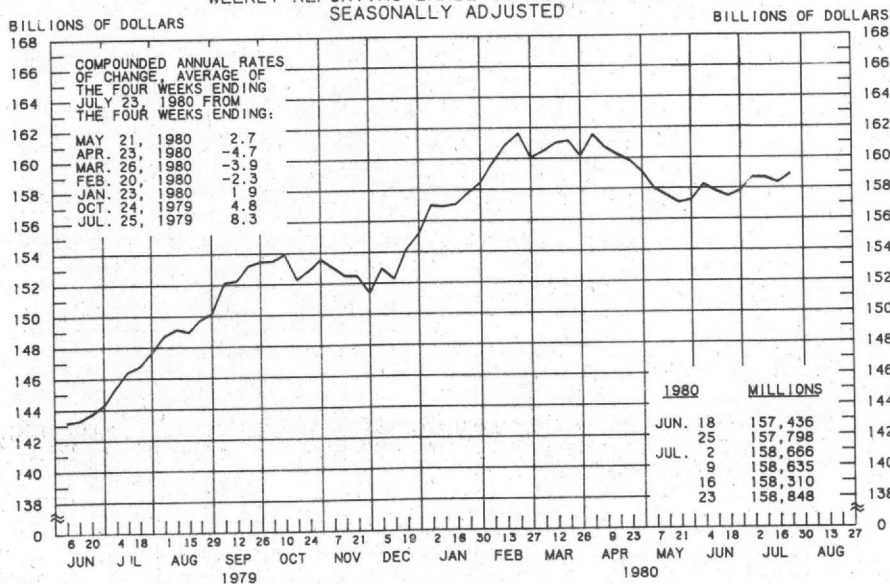
| | 7/25/79 | 10/24/79 | 12/26/79 | 1/23/80 | 2/20/80 | 3/26/80 | 4/23/80 | 5/21/80 |
|--------------------------------------|---------|----------|----------|---------|---------|---------|---------|---------|
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
| 12/26/79 | 9.6 | | | | | | | |
| 1/23/80 | 9.1 | 8.4 | | | | | | |
| 2/20/80 | 8.4 | 7.4 | 5.3 | | | | | |
| 3/26/80 | 8.4 | 7.6 | 6.5 | 6.5 | | | | |
| 4/23/80 | 9.2 | 8.9 | 8.7 | 9.4 | 11.7 | | | |
| 5/21/80 | 8.8 | 8.4 | 8.1 | 8.5 | 9.8 | 10.7 | | |
| 6/25/80 | 9.1 | 8.8 | 8.6 | 9.0 | 10.1 | 10.8 | 8.5 | |
| 7/23/80 | 9.4 | 9.3 | 9.4 | 9.8 | 10.9 | 11.6 | 10.3 | 12.4 |

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: JULY 30, 1980

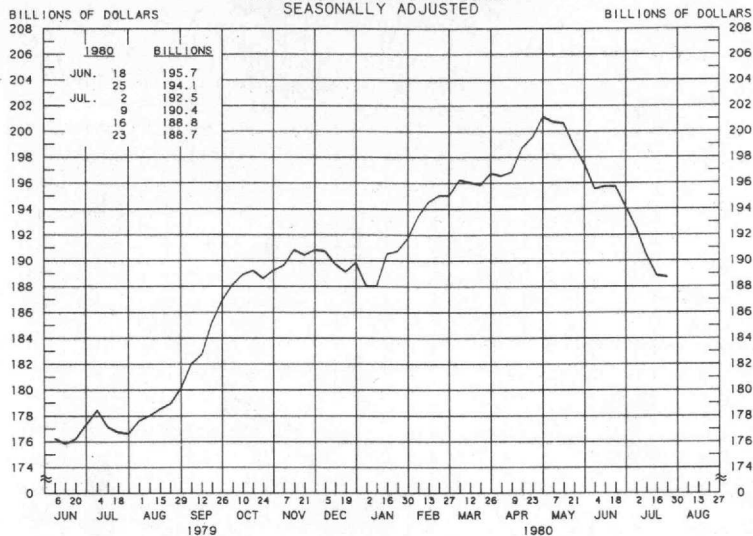
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 23, 1980

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: JULY 23, 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