



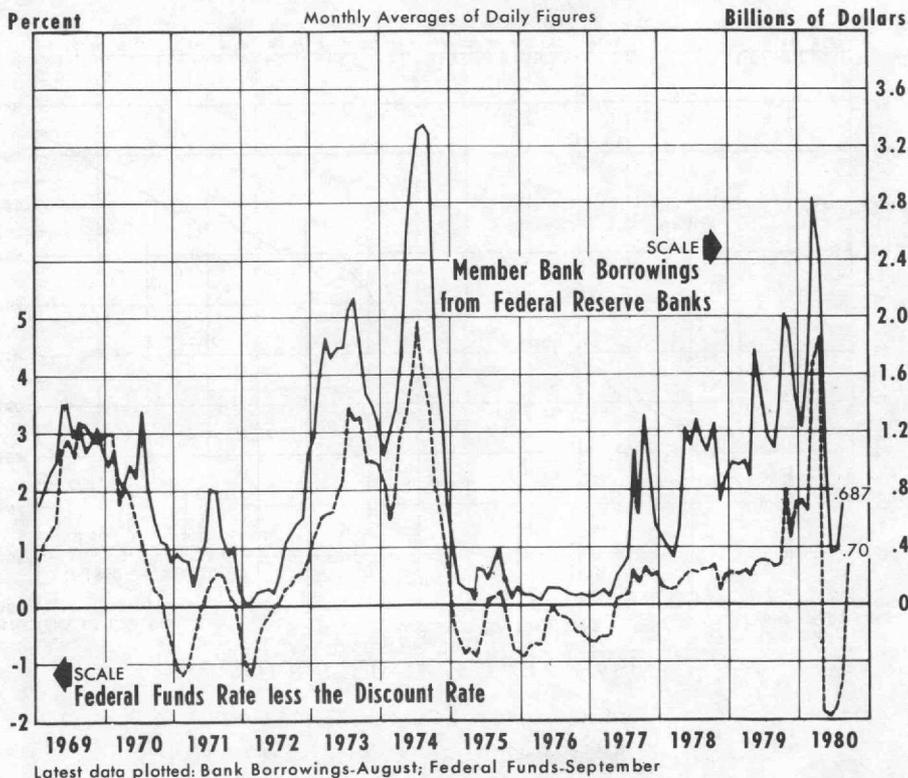
Week ending: October 1, 1980

LIBRARY

Recently, the spread between the federal funds rate and the discount rate has widened despite the increase in the discount rate from 10 percent to 11 percent last week. Because banks view borrowing in the federal funds market and at the discount window as substitutes, an increase in the federal funds rate, relative to the discount rate, induces greater borrowing from the discount window.

As shown in the chart below, substantial deviations in the federal funds rate and the discount rate historically have been associated with increased borrowing activity. For example, during periods of rising interest rates, the federal funds-discount rate spread widens appreciably. Consequently, borrowings from the discount window increase. During periods of falling interest rates, however, borrowing from the discount window is reduced in favor of other sources of funds (e.g., the federal funds market).

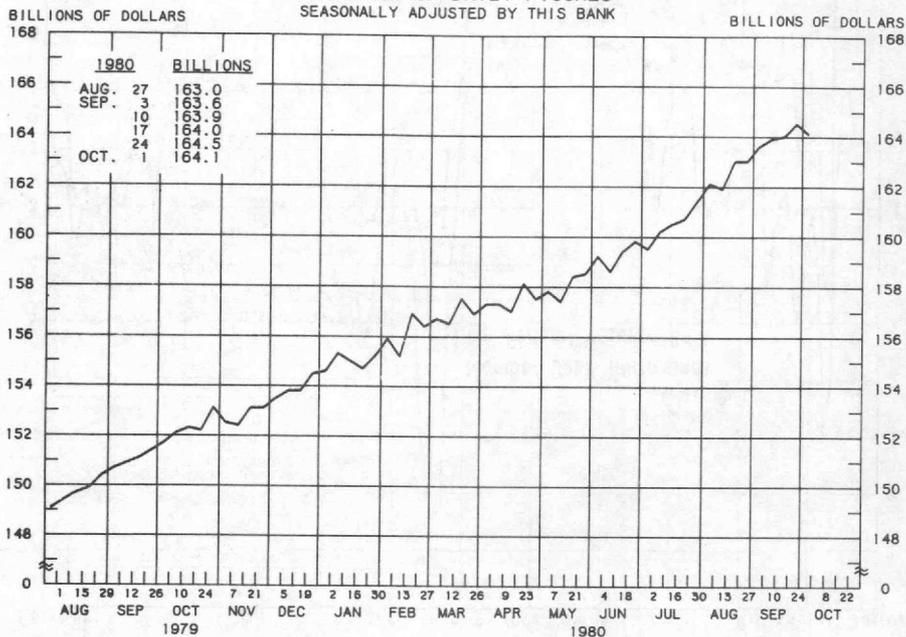
Member Bank Borrowings and Short-Term Interest Rate Differential



Prepared by Federal Reserve Bank of St. Louis
Released: October 3, 1980

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 1, 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

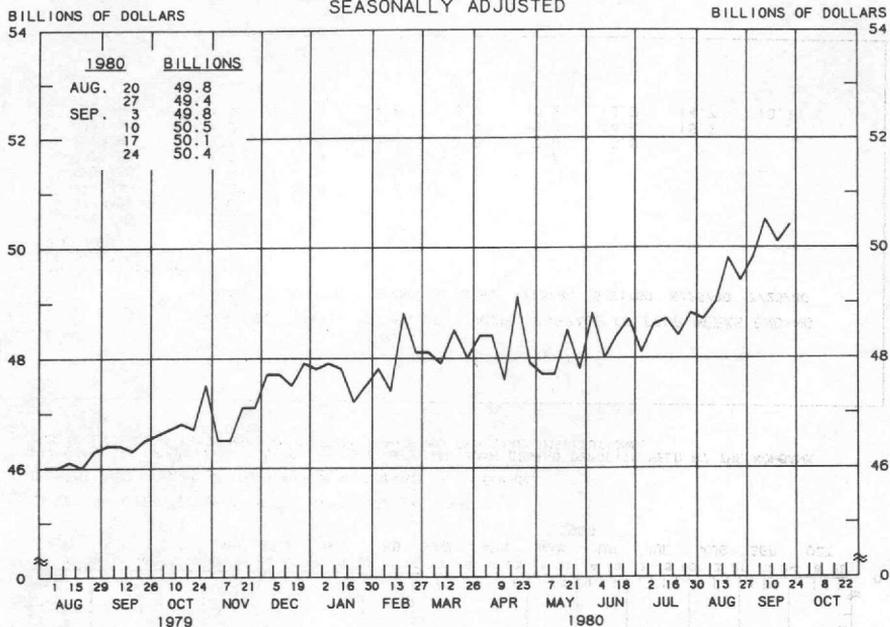
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	10/3/79	1/2/80	2/27/80	4/2/80	4/30/80	6/4/80	7/2/80	7/30/80
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/27/80	8.0							
4/ 2/80	7.8	7.7						
4/30/80	7.2	6.7	5.3					
6/ 4/80	7.1	6.6	5.6	4.9				
7/ 2/80	7.1	6.7	6.0	5.7	6.8			
7/30/80	7.6	7.4	7.1	7.2	8.4	9.8		
9/ 3/80	8.3	8.5	8.6	8.9	10.2	11.9	13.8	
10/ 1/80	8.5	8.7	8.7	9.1	10.2	11.4	12.6	12.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED BANK RESERVES ✓

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



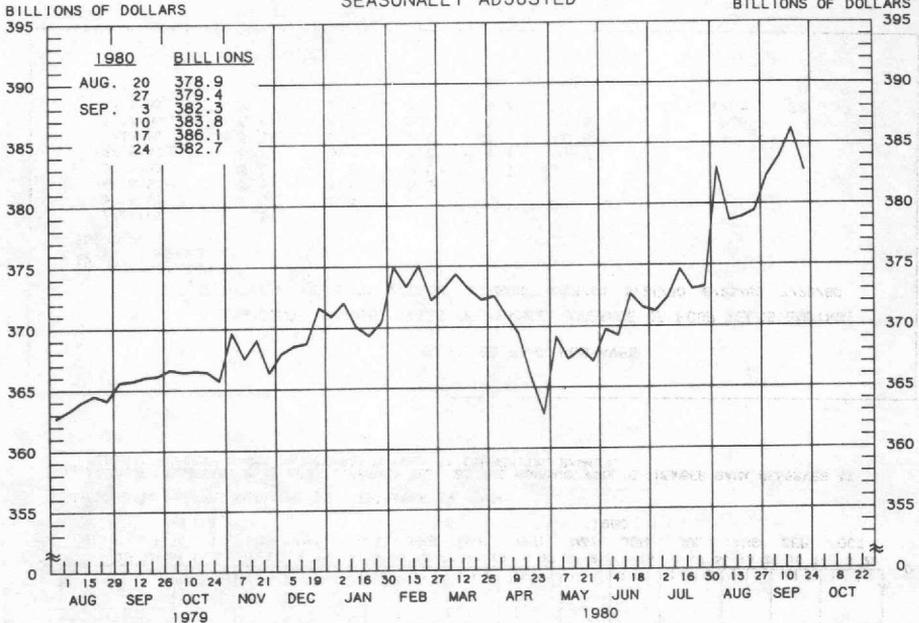
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 24, 1980

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:	9/26/79	12/26/79	2/27/80	3/26/80	4/23/80	5/21/80	6/25/80	7/23/80	
2/27/80		8.3							
3/26/80		7.5	3.4						
4/23/80		7.6	4.6	5.5					
5/21/80		5.3	1.6	0.0	-1.3				
6/25/80		6.1	3.4	3.2	3.4	1.2			
7/23/80		5.5	2.9	2.6	2.6	0.8	6.2		
8/27/80		6.6	4.7	5.1	5.5	4.8	9.6	8.6	
9/24/80		8.2	7.0	8.1	8.9	9.0	13.8	14.8	22.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1A)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 24, 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.

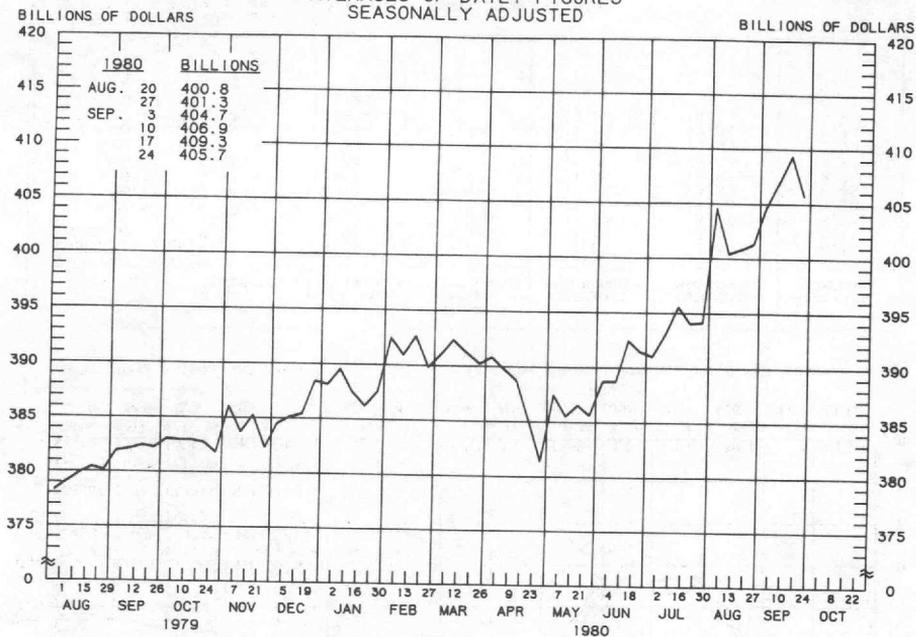
MONEY STOCK (M1A)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	9/26/79	12/26/79	2/27/80	3/26/80	4/23/80	5/21/80	6/25/80	7/23/80
2/27/80	5.2							
3/26/80	4.0	4.4						
4/23/80	1.8	0.4	-7.1					
5/21/80	0.4	-1.6	-8.0	-10.6				
6/25/80	1.8	0.9	-2.5	-2.5	1.7			
7/23/80	2.3	1.7	-0.7	-0.3	3.4	9.8		
8/27/80	4.2	4.4	3.3	4.4	8.3	14.0	15.2	
9/24/80	4.9	5.3	4.6	5.7	9.2	13.9	14.7	18.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1B)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 24, 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:

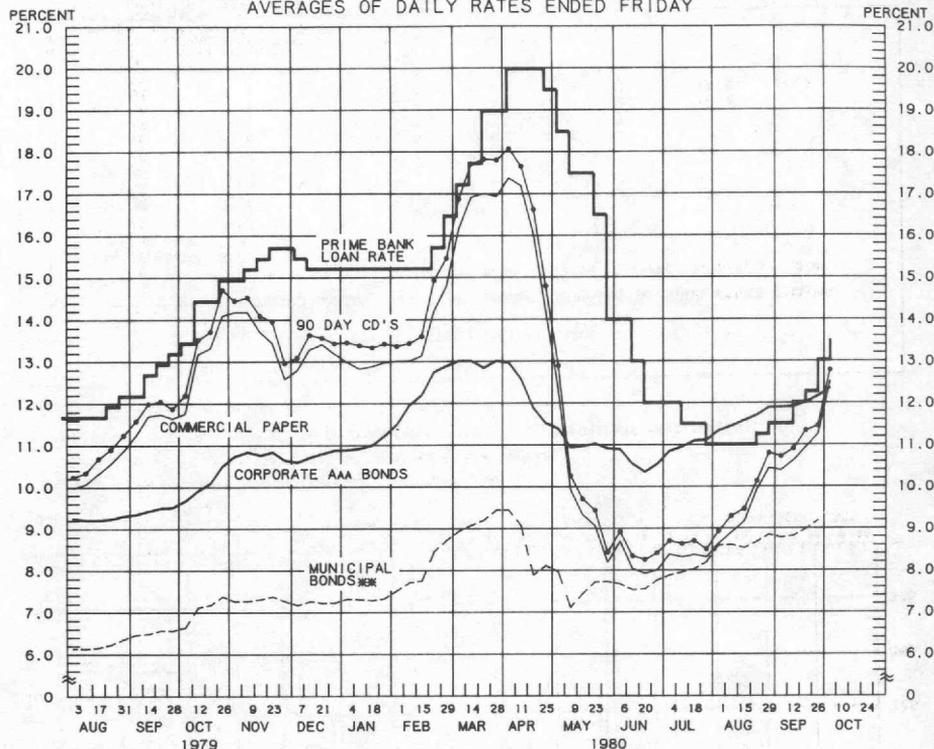
TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

	9/26/79	12/26/79	2/27/80	3/26/80	4/23/80	5/21/80	6/25/80	7/23/80
2/27/80	5.8							
3/26/80	4.8	5.6						
4/23/80	2.9	2.2	-4.6					
5/21/80	1.2	-0.4	-6.7	-9.6				
6/25/80	2.8	2.3	-0.9	-0.9	2.6			
7/23/80	3.6	3.4	1.3	1.7	5.0	12.9		
8/27/80	5.6	6.2	5.4	6.5	10.1	17.0	18.3	
9/24/80	6.4	7.3	6.9	8.1	11.4	17.0	17.9	21.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: OCTOBER 3, 1980

1980	90 DAY CD'S	PRIME COMMERCIAL PAPER ^{***}	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ^{**}
AUG. 1	8.93	8.64	8.97	11.33	12.70	8.59
8	9.29	8.90	9.14	11.44	12.97	8.61
15	9.46	9.16	9.39	11.57	13.07	8.53
22	10.13	9.93	10.14	11.70	13.28	8.68
29	10.80	10.44	10.77	11.88	13.37	8.85
SEP. 5	10.72	10.39	10.63	11.89	13.55	8.78
12	10.90	10.62	10.80	11.90	13.57	8.82
19	11.34	10.94	11.07	12.00	13.69	8.98
26	11.45	11.25	11.37	12.15	13.82	9.18
OCT. 3 *	12.78	12.51	12.51	12.34	14.11	N.A.
10						
17						
24						
31						

* AVERAGES OF RATES AVAILABLE.

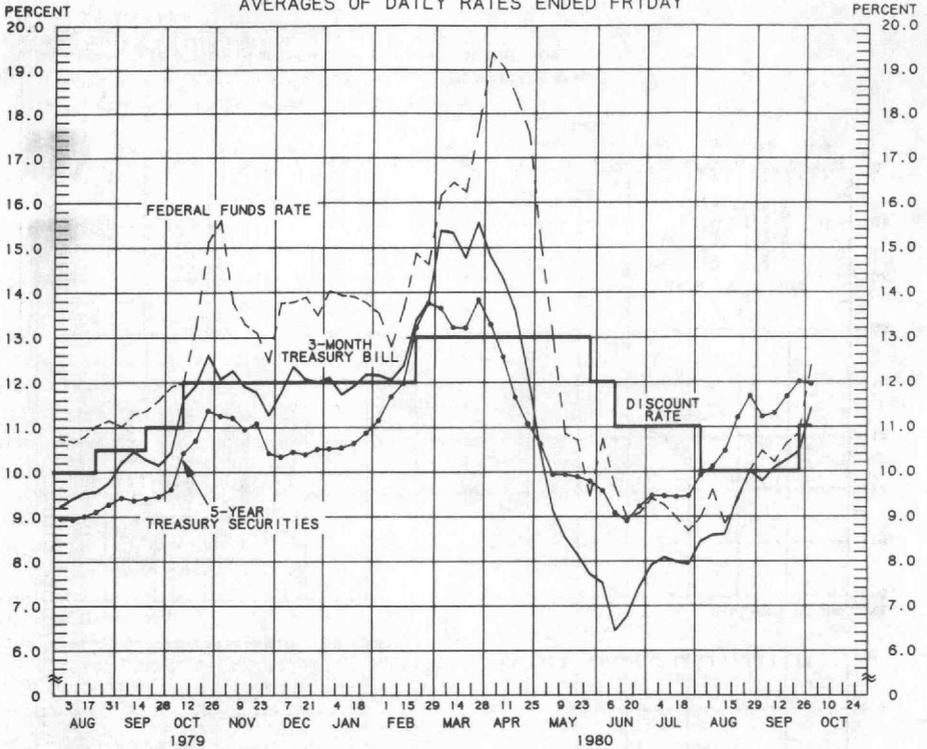
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

*** 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: OCTOBER 3, 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
AUG. 1	8.98	8.44	8.28	8.43	9.92	10.51
8	9.60	8.58	8.87	8.61	10.12	10.65
15	8.85	8.60	8.89	8.94	10.47	10.86
22	9.35	9.41	9.77	9.85	11.21	11.02
29	10.03	10.01	10.25	10.28	11.69	11.26
SEP. 5	10.47	9.78	10.25	9.84	11.23	11.03
12	10.22	10.09	10.23	10.15	11.31	11.14
19	10.64	10.26	10.88	10.58	11.68	11.37
26	10.86	10.45	10.82	10.94	12.01	11.66
OCT. 3 *	12.38	11.40	11.72	11.21	11.95	11.85
10						
17						
24						
31						

* 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.

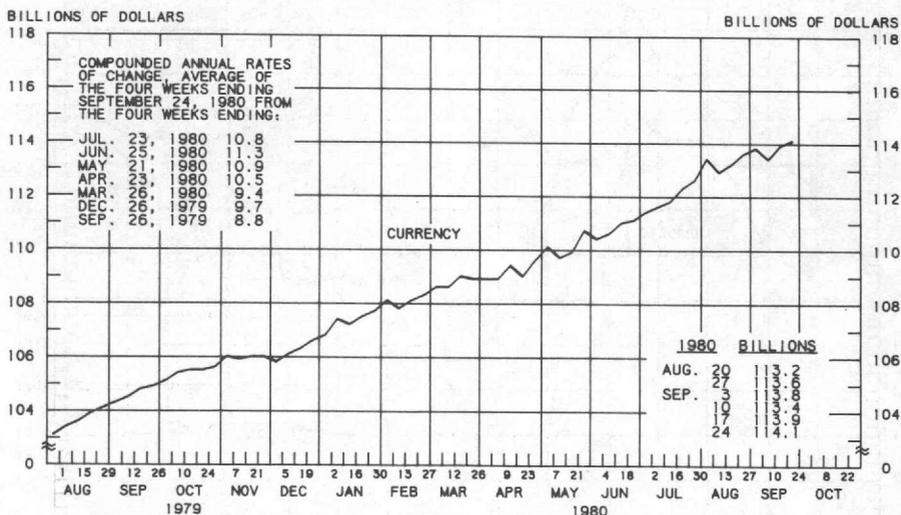
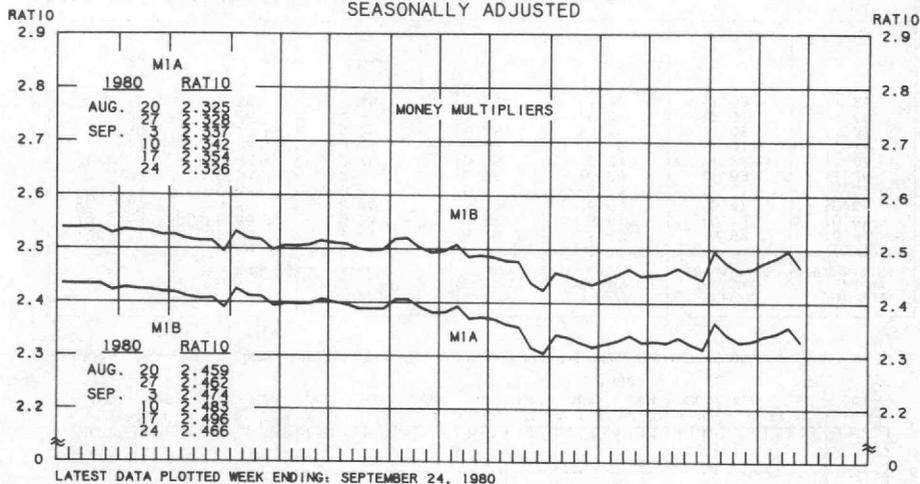
NEW ISSUE RATE

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

TREASURY BILL YIELDS ON DISCOUNT BASIS.

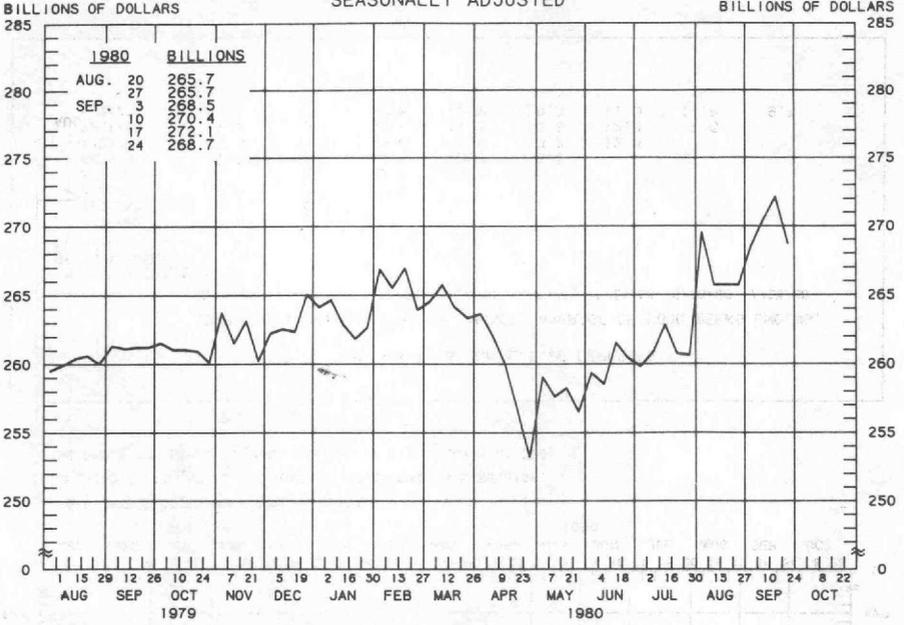
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MULTIPLIERS \downarrow
 CURRENCY OF MONEY STOCK MEASURES \downarrow
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



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

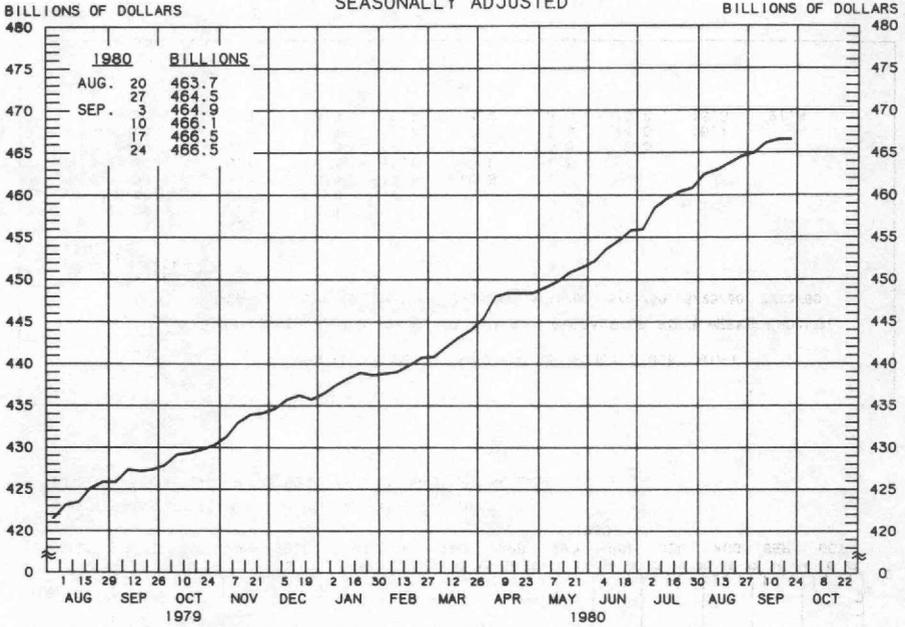


LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 24, 1980
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK (M1A)									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	9/26/79	12/26/79	2/27/80	3/26/80	4/23/80	5/21/80	6/25/80	7/23/80	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
2/27/80		4.2							
3/26/80		2.5	2.1						
4/23/80		-0.4	-2.8	-12.1					
5/21/80		-2.4	-5.6	-13.6	-16.8				
6/25/80		-0.7	-2.3	-6.6	-6.6	-1.5			
7/23/80		-0.1	-1.3	-4.4	-3.9	0.6	9.3		
8/27/80		2.3	2.1	0.7	2.1	6.9	14.8	16.1	
9/24/80		3.3	3.5	2.7	4.2	8.6	15.2	16.3	21.4

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: SEPTEMBER 24, 1980

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

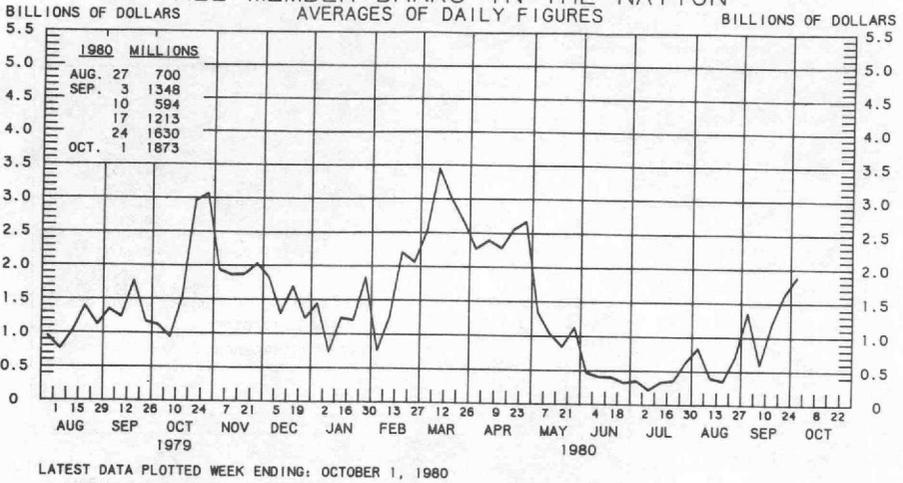
TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000.

SAVINGS PLUS SMALL TIME DEPOSITS

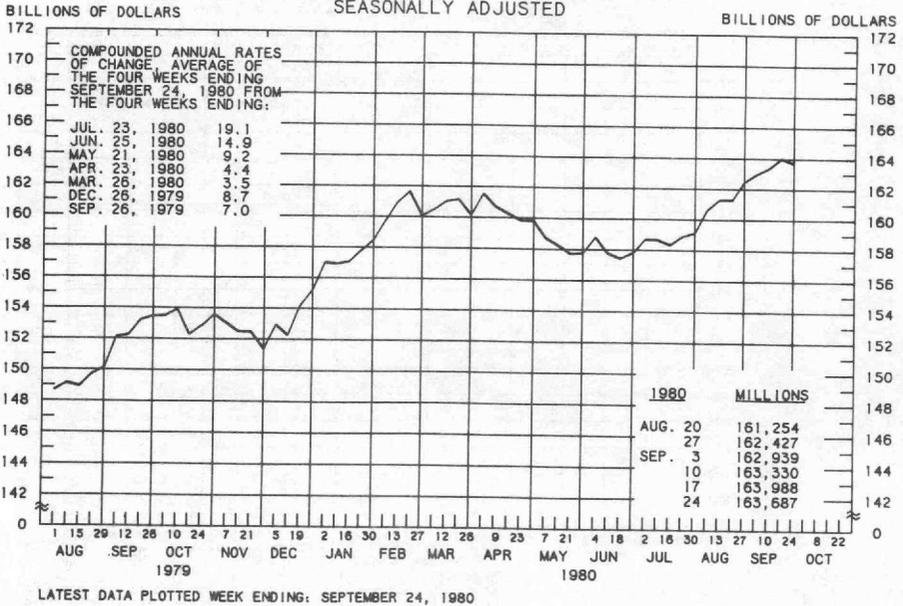
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE OF FOUR WEEKS ENDING:	9/26/79	12/26/79	2/27/80	3/26/80	4/23/80	5/21/80	6/25/80	7/23/80
2/27/80	7.2							
3/26/80	7.4	6.5						
4/23/80	8.6	8.7	12.4					
5/21/80	8.2	8.1	10.1	10.7				
6/25/80	8.6	8.6	10.4	10.8	8.5			
7/23/80	9.0	9.3	11.0	11.6	10.2	12.3		
8/27/80	9.3	9.6	11.1	11.5	10.5	12.0	12.6	
9/24/80	9.2	9.4	10.6	10.9	10.0	11.0	11.0	9.7

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

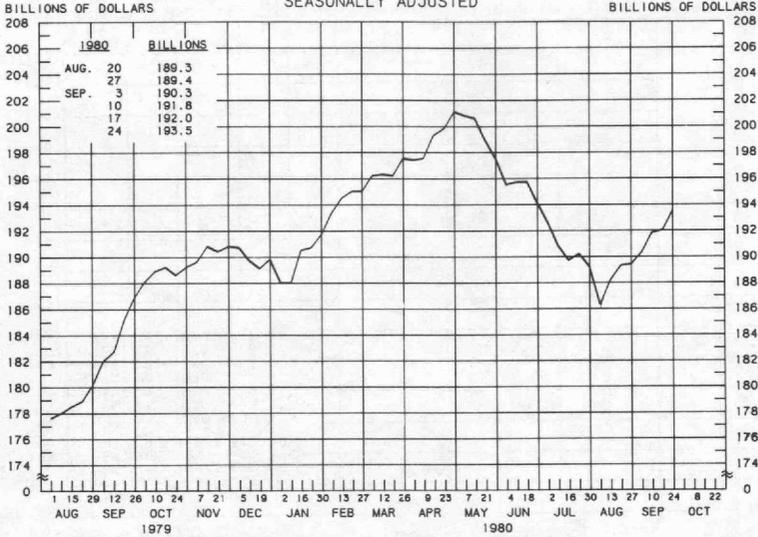


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



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: SEPTEMBER 24, 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