



Week ending: January 7, 1981

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The differential between the federal funds rate and the discount rate is a primary determinant of the level of discount window borrowings. When the federal funds rate is above the discount rate, eligible depository institutions are more inclined to meet their short-term requirements for liquid balances by borrowing from the discount window than when the discount rate is above market rates. As a general rule, the greater this interest differential, the greater the dollar amounts these institutions borrow at the discount window.

Spreads between the federal funds rate and the discount rate have been relatively large since October 1979. In the year prior to October 1979, the Federal Reserve usually changed the discount rate before the federal funds rate deviated more than 100 basis points from the discount rate. The weekly average federal funds rate was within 100 basis points of the discount rate in all but one of the 52 weeks prior to October 6, 1979. The spreads between the federal funds rate and the discount rate have been larger since October 6, 1979. Even after adjusting the discount rate for any applicable surcharge, the weekly average federal funds rate has exceeded the discount rate by more than 100 basis points in 40 of the 65 settlement weeks since October 6, 1979. In a number of weeks since October 1979, the federal funds rate has also been substantially below the discount rate. The federal funds rate deviated from the discount rate (either above or below) by more than 100 basis points in 54 of the past 65 weeks.

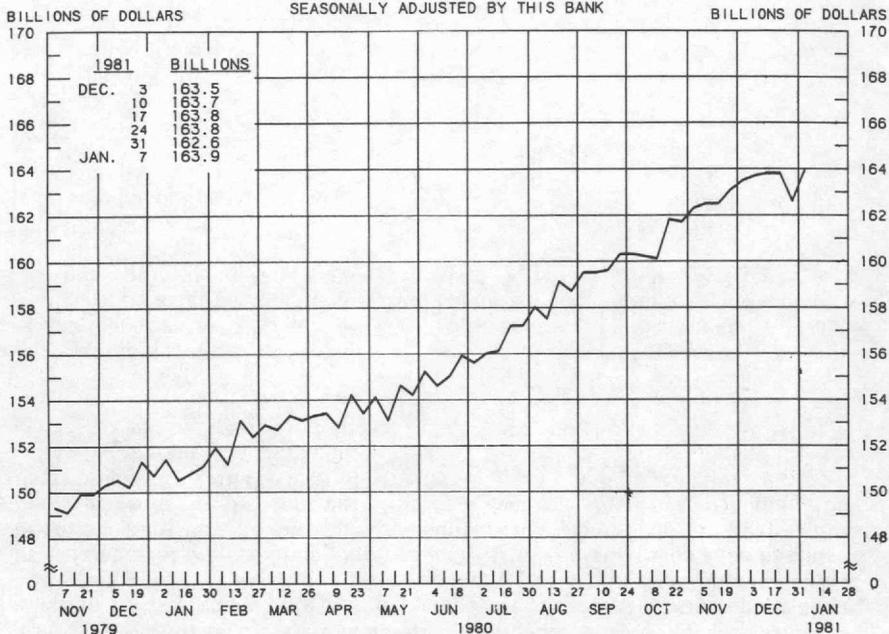
Spread between the Federal Funds Rate and the Discount Rate

Federal funds rate less the discount rate * (Differential in basis points)	Number of weeks	
	52 weeks prior to Oct. 6, 1979	65 weeks after Oct. 6, 1979
300 or more		14
200 to 299		4
100 to 199	1	22
50 to 99	37	3
0 to 49	14	5
-50 to -1		1
-100 to -49		2
-200 to -99		6
-299 to -199		6
-300 or less		2

* The discount rate adjusted upward for any applicable surcharge.

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: JANUARY 7, 1981

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.

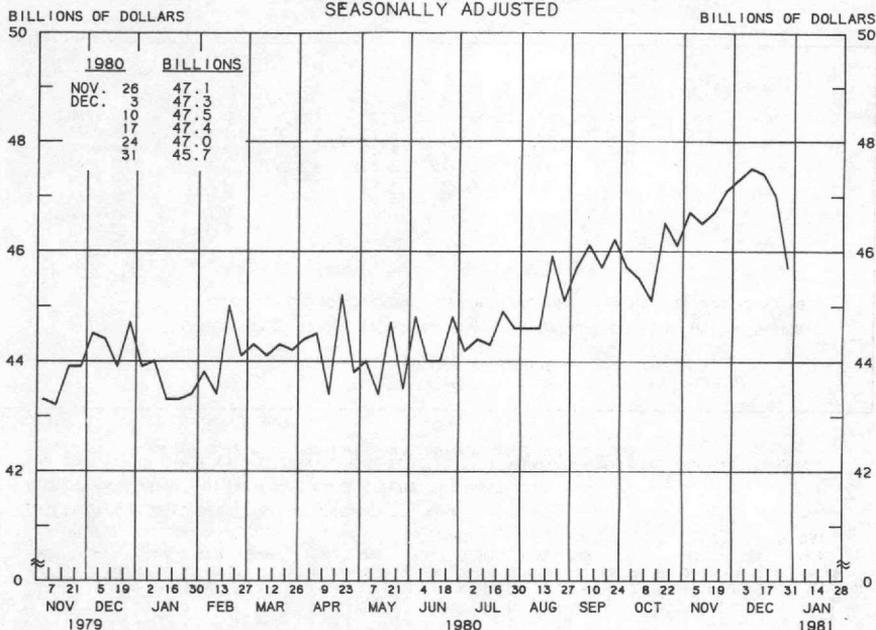
ADJUSTED MONETARY BASE

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	1/9/80	4/9/80	6/4/80	7/9/80	8/6/80	9/10/80	10/8/80	11/5/80
6/ 4/80	5.7							
7/ 9/80	6.3	6.1						
8/ 6/80	7.2	7.8	10.9					
9/10/80	8.3	9.3	12.3	14.1				
10/ 8/80	8.2	9.1	11.2	12.1	11.5			
11/ 5/80	8.6	9.5	11.4	12.1	11.7	9.8		
12/10/80	8.9	9.7	11.4	11.9	11.6	10.4	11.7	
1/ 7/81	8.3	9.0	10.2	10.4	9.9	8.5	8.8	7.4

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED BANK RESERVES ↓
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 31, 1980

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

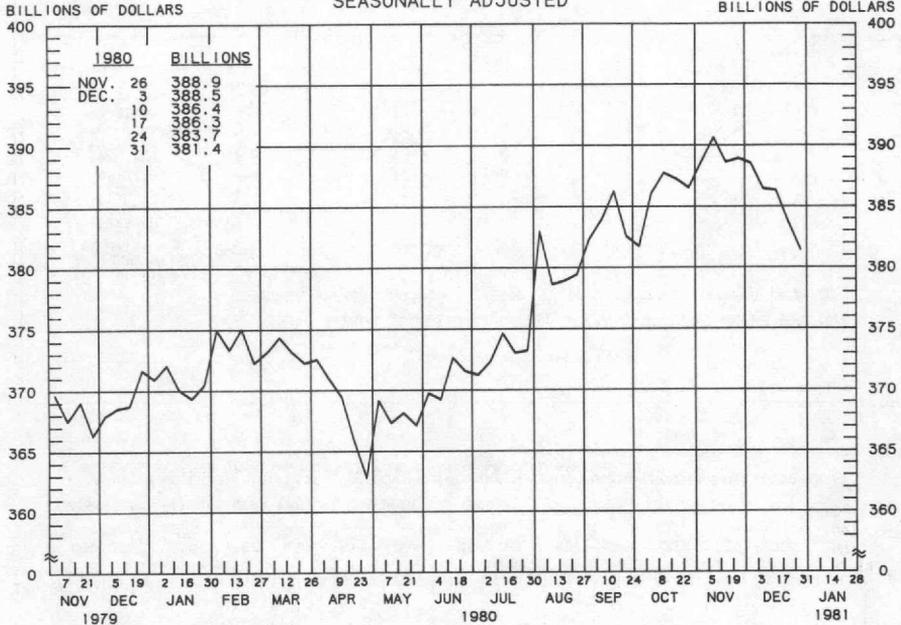
ADJUSTED BANK RESERVES

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

	1/2/80	4/2/80	5/28/80	7/2/80	7/30/80	9/3/80	10/1/80	10/29/80
TO THE AVERAGE OF FOUR WEEKS ENDING:								
5/28/80	-1.7							
7/ 2/80	0.5	0.0						
7/30/80	1.6	2.1	9.6					
9/ 3/80	3.7	5.4	12.4	13.8				
10/ 1/80	5.2	7.4	13.7	15.2	18.1			
10/29/80	4.4	5.9	10.5	10.7	11.2	7.4		
12/ 3/80	6.6	8.8	13.6	14.4	15.6	14.9	13.3	
12/31/80	6.1	7.9	11.7	12.1	12.6	11.2	9.0	14.7

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MONEY STOCK (M1A)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



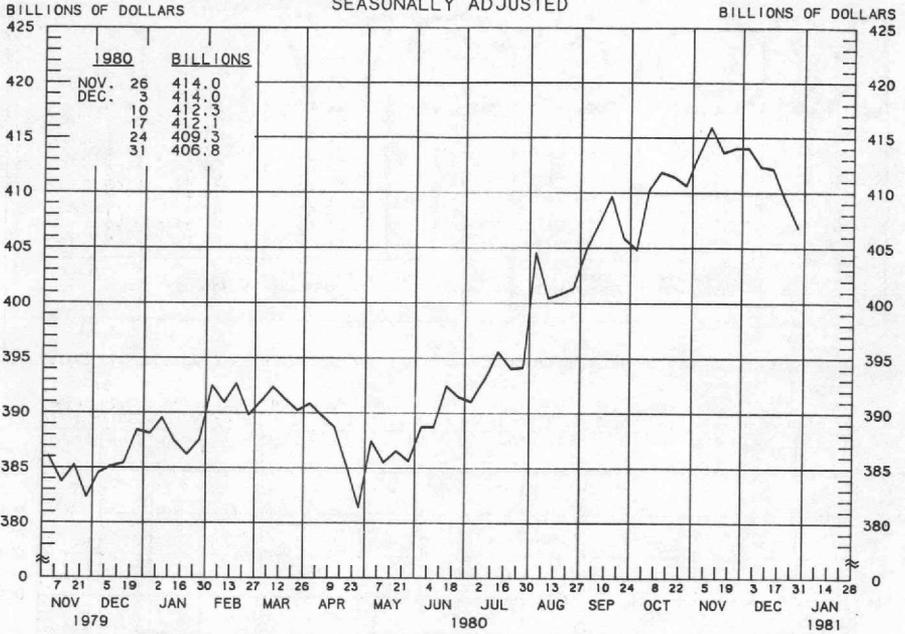
MONEY STOCK (M1A)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	1/2/80	4/2/80	5/28/80	7/2/80	7/30/80	9/3/80	10/1/80	10/29/80
5/28/80	-1.3							
7/ 2/80	0.6	-2.0						
7/30/80	1.6	0.2	8.8					
9/ 3/80	4.0	4.4	12.6	14.3				
10/ 1/80	5.0	5.8	12.8	14.2	17.0			
10/29/80	5.6	6.5	12.6	13.6	15.4	12.8		
12/ 3/80	5.7	6.5	11.4	11.9	12.8	10.3	8.7	
12/31/80	3.9	4.1	7.7	7.4	7.2	3.8	0.9	-3.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1B)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 31, 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:

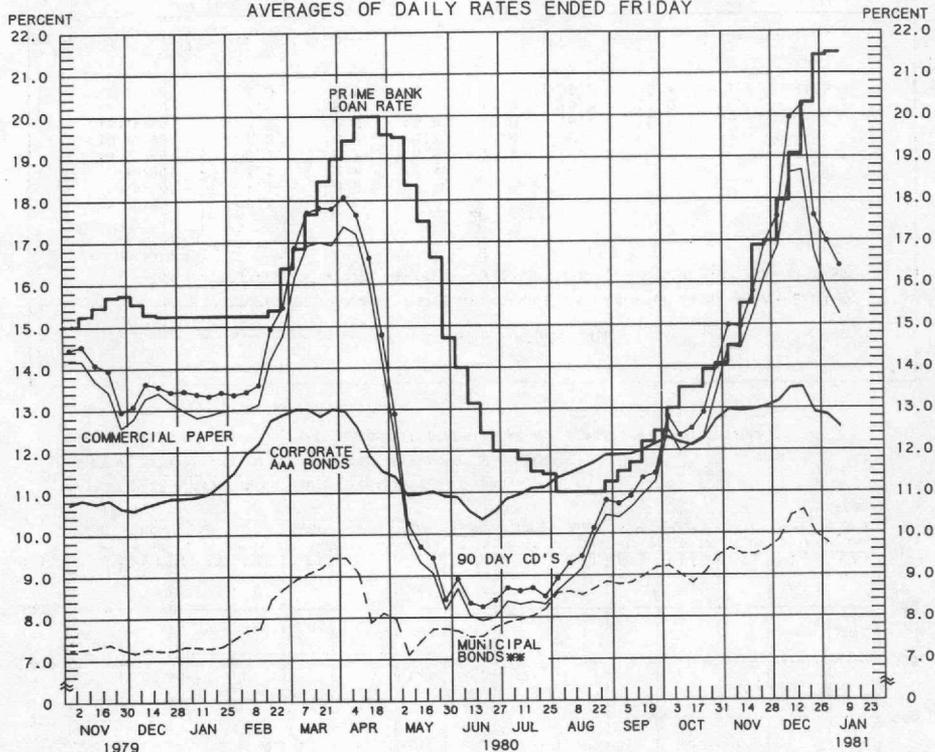
TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

	1/2/80	4/2/80	5/28/80	7/2/80	7/30/80	9/3/80	10/1/80	10/29/80
5/28/80	-0.3							
7/ 2/80	2.1	-0.2						
7/30/80	3.3	2.4	12.4					
9/ 3/80	5.9	6.7	15.8	17.4				
10/ 1/80	7.0	8.2	16.2	17.4	20.1			
10/29/80	7.6	9.0	15.8	16.6	18.2	15.7		
12/ 3/80	7.8	9.0	14.5	14.8	15.5	13.0	11.1	
12/31/80	6.0	6.5	10.5	10.1	9.8	6.4	3.2	-1.3

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: JANUARY 9, 1981

1981	90 DAY CD'S	PRIME COMMERCIAL PAPER ***	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ***
NOV. 7	14.98	14.48	14.68	12.96	14.56	9.64
14	14.95	14.44	14.64	12.93	14.61	9.50
21	15.79	15.25	15.46	12.96	14.61	9.50
28	16.97	16.17	16.58	13.03	14.79	9.61
DEC. 5	17.58	16.84	17.28	13.15	14.84	9.84
12	19.93	18.62	19.23	13.47	15.21	10.42
19	20.23	18.68	19.24	13.49	15.36	10.56
26	17.60	16.72	16.84	12.89	15.19	9.99
JAN. 2	16.99	15.80	16.28	12.83	15.09	9.76
9 *	16.40	15.24	15.50	12.56	14.93	N.A.
16						
23						
30						

* AVERAGES OF RATES AVAILABLE.

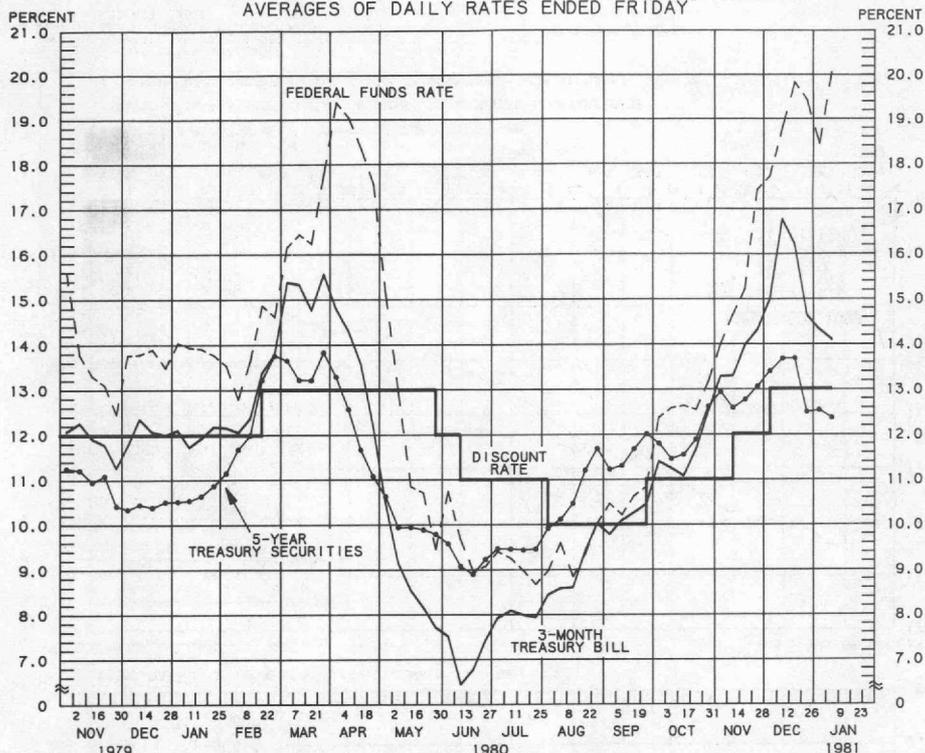
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

*** 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



1981	FEDERAL FUNDS **	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL ***	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
NOV. 7	13.99	13.28	13.27	12.47	12.94	12.41
14	14.65	13.29	13.23	12.21	12.59	12.28
21	15.22	13.98	13.92	12.74	12.77	12.23
28	17.43	14.31	14.03	13.22	13.06	12.26
DEC. 5	17.72	14.98	14.55	13.43	13.40	12.39
12	18.82	16.76	15.07	13.75	13.68	12.74
19	19.83	16.21	15.42	13.71	13.69	12.63
26	19.44	14.62	14.03	12.40	12.50	11.79
JAN. 2	18.45	14.31	13.41	12.38	12.54	11.92
9 *	20.06	14.09	13.18	12.14	12.37	11.70
16						
23						
30						

* AVERAGES OF RATES AVAILABLE.

** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

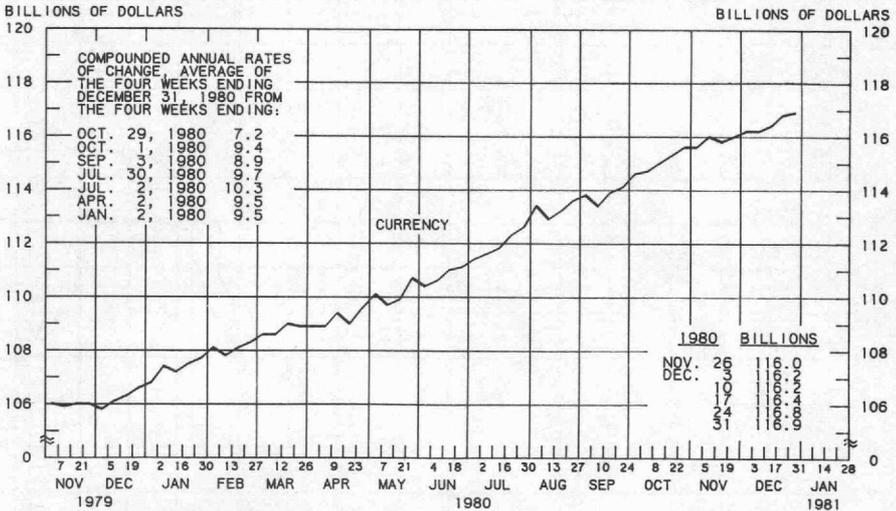
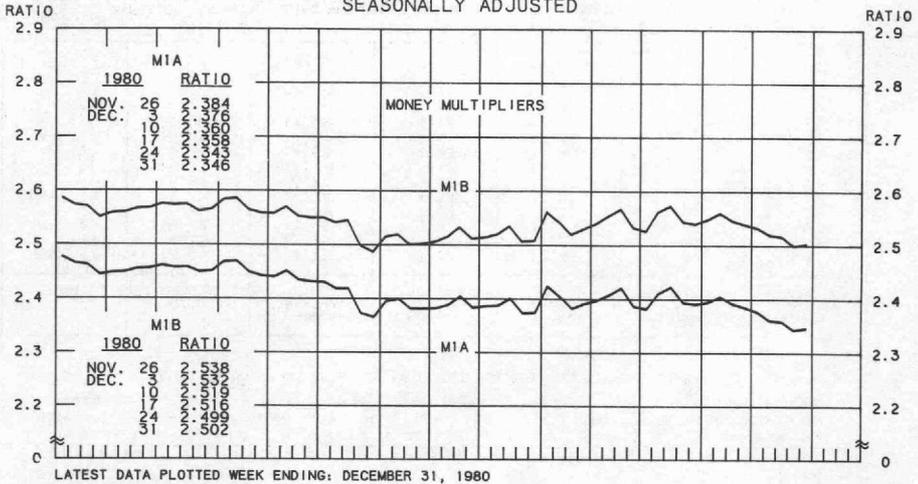
*** CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

**** 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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 31, 1980

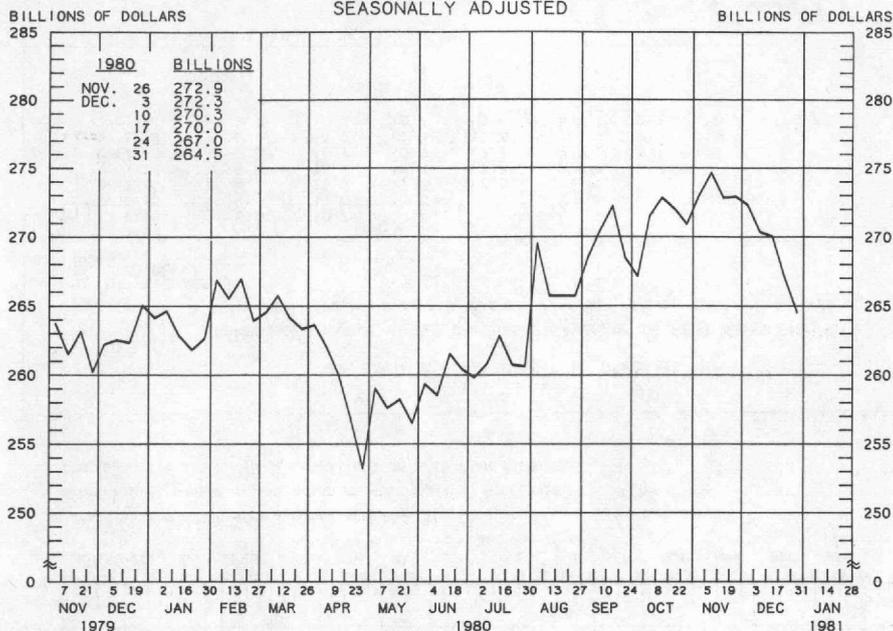
1/ RATIO OF MONEY STOCK (M1A) OR (M1B) TO ADJUSTED MONETARY BASE

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



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

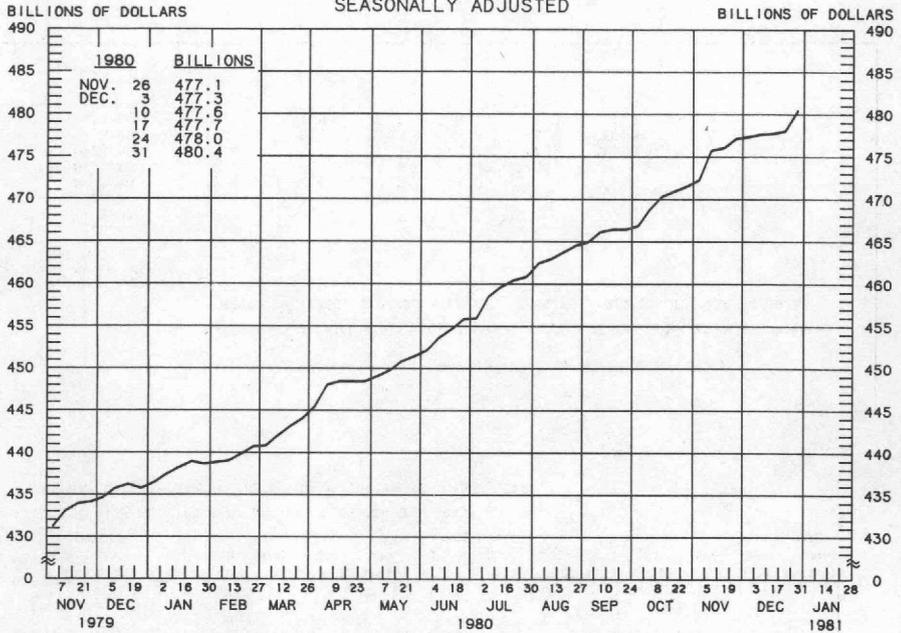
DEMAND DEPOSIT COMPONENT OF MONEY STOCK (M1A)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	1/2/80	4/2/80	5/28/80	7/2/80	7/30/80	9/3/80	10/1/80	10/29/80
5/28/80	-5.3							
7/2/80	-2.6	-6.1						
7/30/80	-1.5	-3.4	7.9					
9/3/80	1.6	2.0	13.0	14.8				
10/1/80	3.1	4.1	13.8	15.4	20.1			
10/29/80	3.8	5.0	13.3	14.4	17.2	13.9		
12/3/80	4.0	5.1	11.8	12.3	13.9	10.6	8.0	
12/31/80	1.7	1.9	6.7	6.2	6.3	1.8	-2.4	-7.8

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



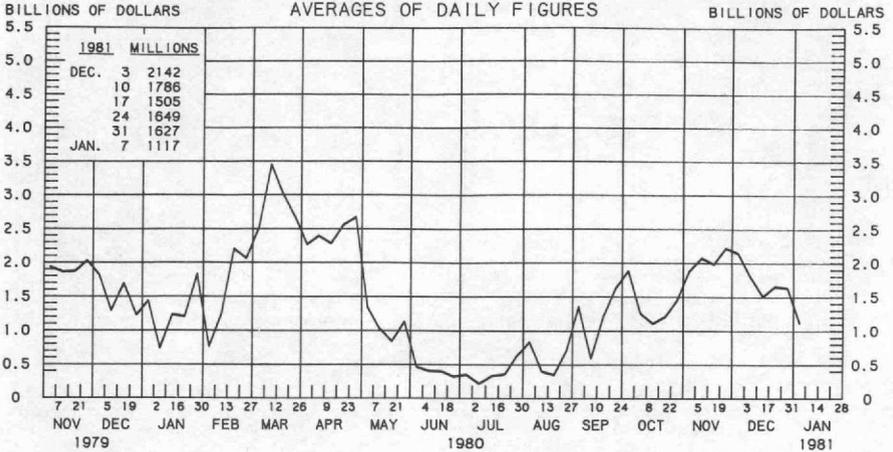
SAVINGS PLUS SMALL TIME DEPOSITS

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

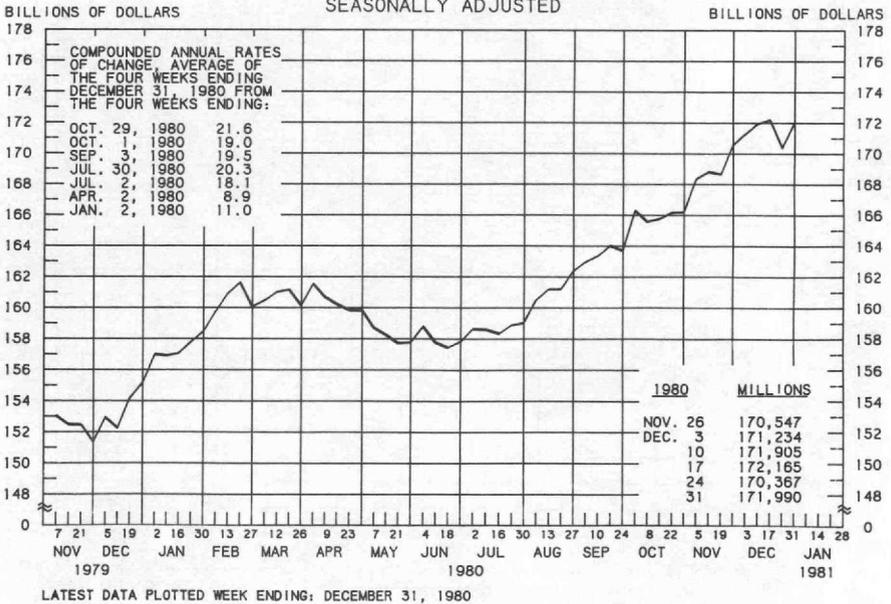
TO THE AVERAGE OF FOUR WEEKS ENDING:	1/2/80	4/2/80	5/28/80	7/2/80	7/30/80	9/3/80	10/1/80	10/29/80
5/28/80	8.3							
7/ 2/80	8.9	10.7						
7/30/80	9.7	11.6	13.0					
9/ 3/80	9.7	11.2	11.9	12.0				
10/ 1/80	9.4	10.5	10.8	10.4	8.6			
10/29/80	9.6	10.7	10.9	10.7	9.5	9.3		
12/ 3/80	10.1	11.2	11.6	11.5	10.9	11.2	13.2	
12/31/80	9.7	10.6	10.7	10.6	9.8	9.8	10.7	10.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS

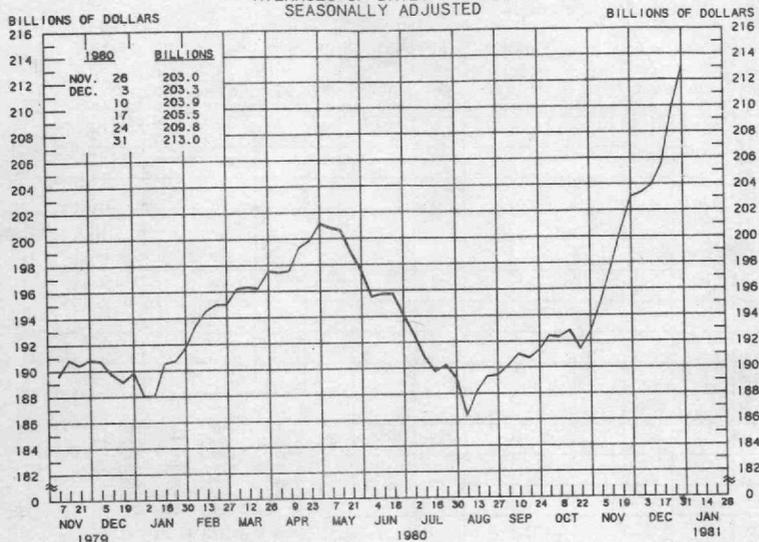


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



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: DECEMBER 31, 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