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# S. FINANCIAL DATA

Week ending: March 4, 1981

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The federal funds rate, which represents the overnight cost to banks of borrowing reserves, is a market rate determined by the demand for and supply of bank reserves. Federal Reserve actions operate only on the supply side of this market. Thus, to the extent that demand shifts are present, the federal funds rate may move in a fashion contrary to that suggested by Federal Reserve actions.

The last two-month period is one in which the impact of Federal Reserve actions on reserve growth suggests the funds rate should move in one direction, while demand considerations actually moved it in the opposite direction. From the four weeks ending December 24, 1980 to the four weeks ending February 25 1981, for example, adjusted bank reserves declined at a 7.2 percent rate. Thus, over this period Federal Reserve actions reduced the supply of bank reserves, which tends to raise the federal funds rate. From the week ending December 24 to the week ending February 25, however, the federal funds rate decreased over 400 basis points, from 19.83 percent to 14.96 percent.

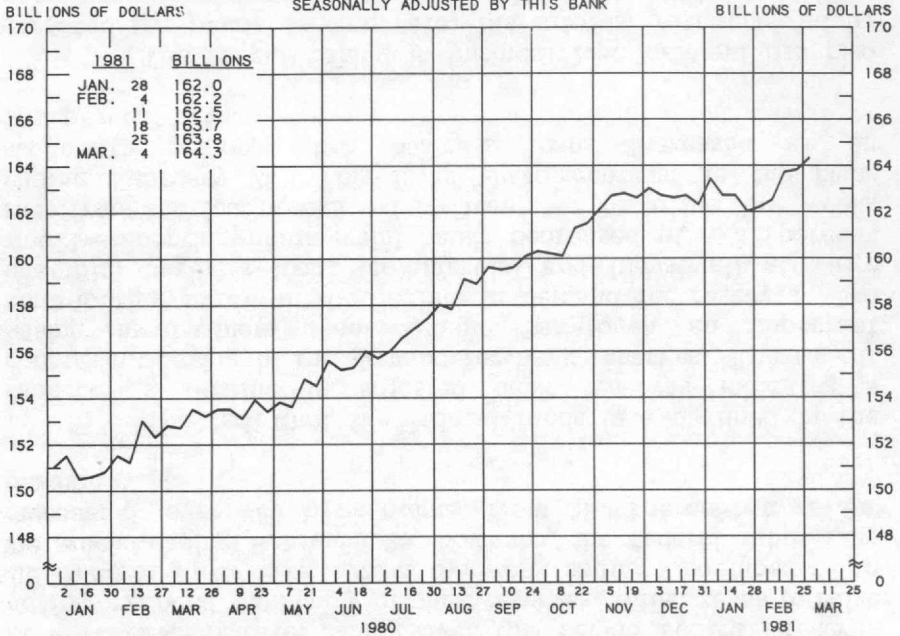
The fact that the federal funds rate declined in the face of a decline in adjusted bank reserves indicates a concurrent easing in the demand for bank reserves. The recent easing in business loan demand has been an important contributing factor in the decline in demand for reserves. For example, business loans (commercial and industrial) at large weekly-reporting commercial banks decreased at a 3.6 percent rate from the four weeks ending December 24 to the four weeks ending February 25. This is in sharp contrast to the prior six-month period, when business loans increased at an 18.5 percent rate.

The recent easing in business loan demand has also affected the prime lending rate, the interest rate charged by commercial banks on business loans. This rate was lowered from 19.00 percent to 18.50 percent on March 3.

Prepared by Federal Reserve Bank of St. Louis  
Released: March 6, 1981

## ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: MARCH 4, 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.

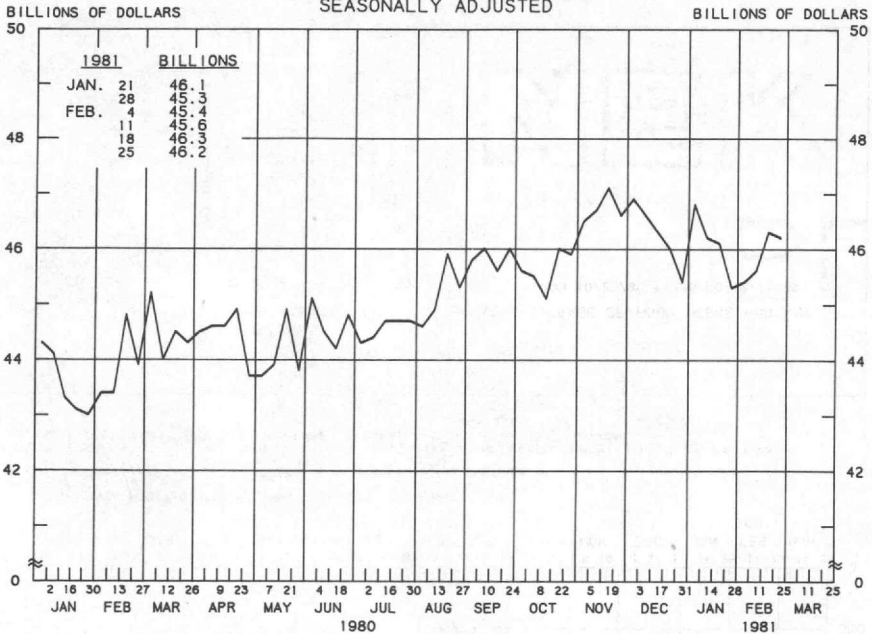
### ADJUSTED MONETARY BASE

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

	3/5/80	6/4/80	8/6/80	9/3/80	10/1/80	11/5/80	12/3/80	1/7/81
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 6/80	7.9							
9/ 3/80	8.9	11.6						
10/ 1/80	8.8	10.9	11.2					
11/ 5/80	8.9	10.5	10.6	9.0				
12/ 3/80	9.3	10.9	11.1	10.2	10.9			
1/ 7/81	8.2	9.1	8.5	7.3	6.9	5.5		
2/ 4/81	7.2	7.6	6.6	5.3	4.6	2.8	-1.4	
3/ 4/81	7.4	7.8	7.0	6.0	5.6	4.4	2.0	3.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

**ADJUSTED BANK RESERVES** ✓  
 AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 25, 1981

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**

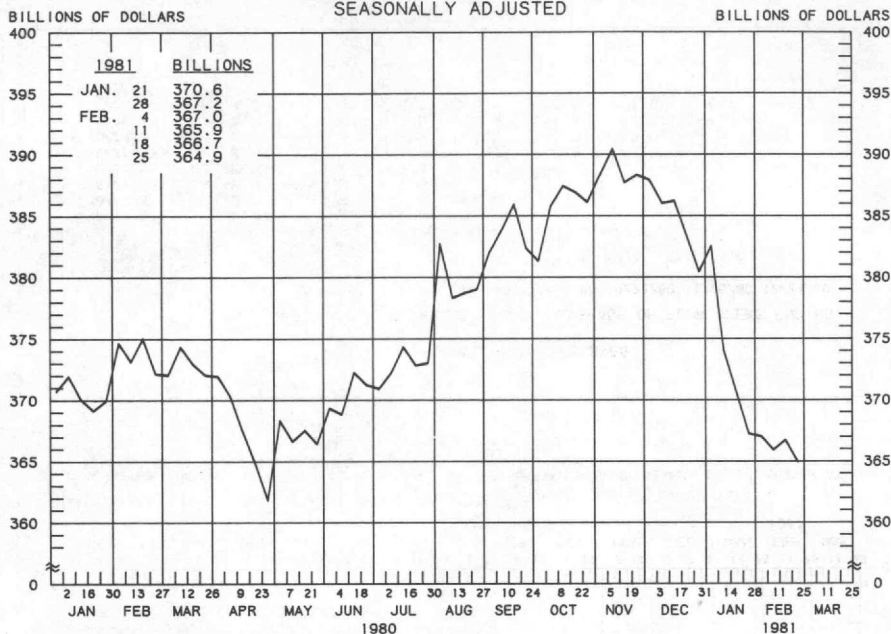
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE OF FOUR WEEKS ENDING:	2/27/80	5/28/80	7/23/80	8/27/80	9/24/80	10/22/80	11/26/80	12/24/80
7/23/80	3.4							
8/27/80	6.0	10.4						
9/24/80	8.0	13.0	19.6					
10/22/80	6.0	8.6	10.3	5.9				
11/26/80	8.6	12.1	15.0	13.9	10.5			
12/24/80	7.2	9.6	11.0	9.1	5.3	12.0		
1/28/81	5.4	6.8	7.0	4.8	1.3	4.1	-7.2	
2/25/81	4.6	5.5	5.3	3.1	0.0	1.9	-6.7	-7.2

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## MONEY STOCK (M1A)

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 25, 1981

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.

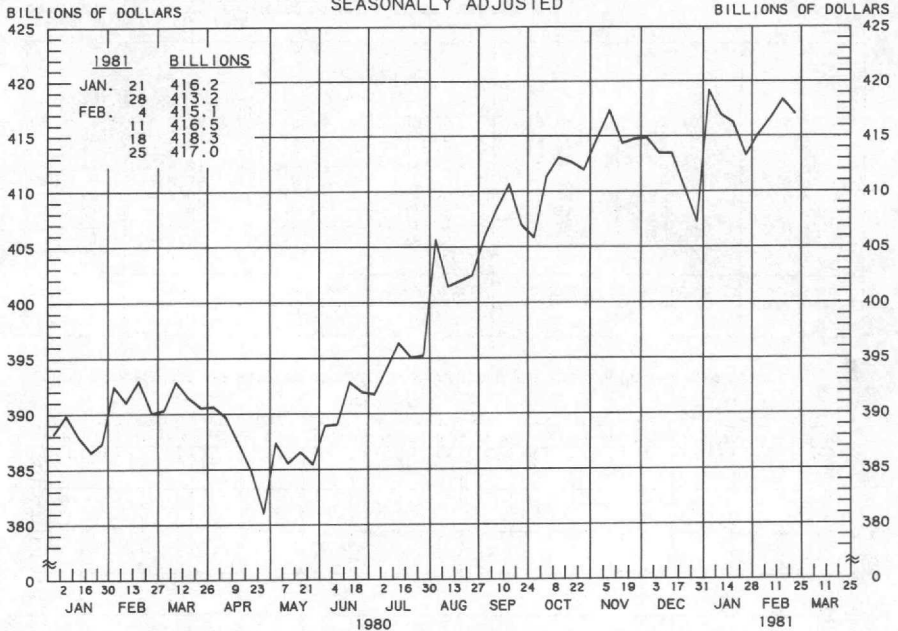
### MONEY STOCK (M1A)

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

	2/27/80	5/28/80	7/23/80	8/27/80	9/24/80	10/22/80	11/26/80	12/24/80
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/23/80	-0.7							
8/27/80	3.2	14.3						
9/24/80	4.6	14.2	18.1					
10/22/80	4.8	12.7	14.5	10.2				
11/26/80	5.4	12.1	13.0	9.8	8.1			
12/24/80	4.0	9.0	8.6	5.1	2.5	0.8		
1/28/81	-0.0	2.6	0.5	-3.8	-7.3	-10.9	-20.5	
2/25/81	-2.0	-0.4	-2.9	-7.0	-10.4	-13.8	-21.3	-26.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1B)  
 AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 25, 1981

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:

2/27/80 5/28/80 7/23/80 8/27/80 9/24/80 10/22/80 11/26/80 12/24/80

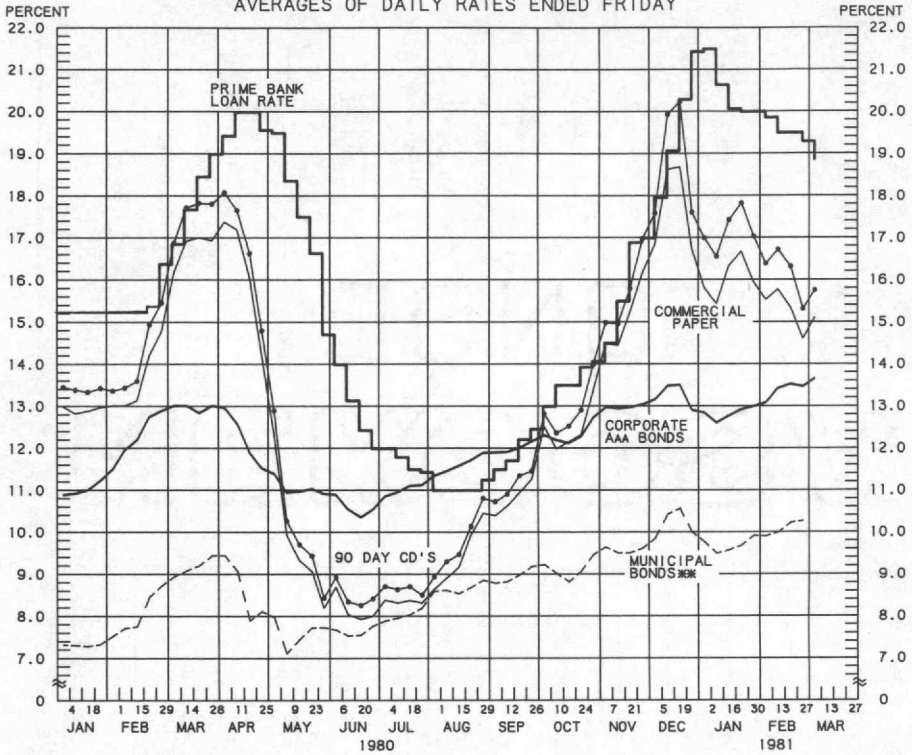
TO THE AVERAGE  
 OF FOUR WEEKS  
 ENDING:

7/23/80	1.7							
8/27/80	5.8	18.3						
9/24/80	7.4	18.3	21.8					
10/22/80	7.6	16.5	17.7	13.5				
11/26/80	8.1	15.6	16.2	13.0	10.8			
12/24/80	6.6	12.3	11.6	7.9	5.0	3.3		
1/28/81	6.9	11.8	11.1	8.2	6.1	5.3	1.5	
2/25/81	6.4	10.7	9.7	7.0	5.1	4.3	1.4	5.3

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## YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 6, 1981

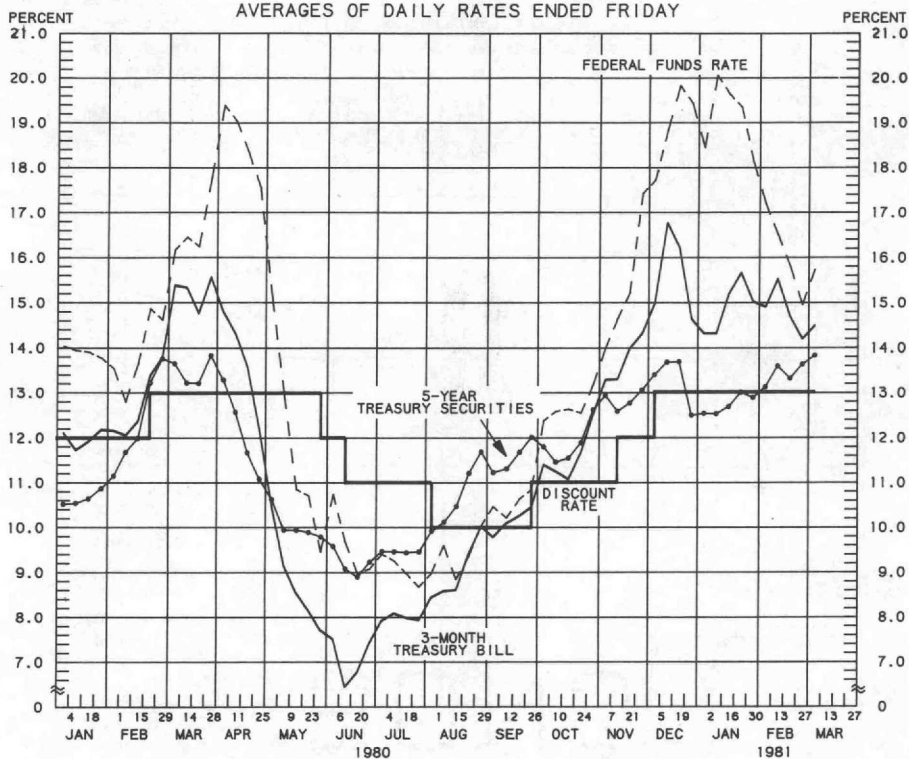
1981	90 DAY CD'S	PRIME COMMERCIAL PAPER %	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS %
JAN. 2	16.99	15.80	16.28	12.83	15.09	9.76
9	16.55	15.43	16.03	12.59	14.93	9.49
16	17.42	16.33	17.08	12.76	14.96	9.57
23	17.82	16.67	17.38	12.91	15.08	9.68
FEB. 6	17.03	15.94	16.38	12.98	15.15	9.91
13	16.38	15.53	15.92	13.07	15.32	9.90
20	16.71	15.77	16.23	13.41	15.41	9.99
27	16.31	15.34	15.48	13.51	15.36	10.22
MAR. 6 *	15.31	14.60	14.90	13.45	15.39	10.27
13	15.75	15.10	15.26	13.64	15.49	N.A.
20						
27						

\* 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: MARCH 6, 1981

1981	FEDERAL FUNDS RATE	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
JAN. 2	18.45	14.31	13.41	12.38	12.54	11.92
9	20.06	14.31	13.18	12.26	12.53	11.81
16	19.64	15.19	14.23	12.50	12.69	12.02
23	19.35	15.65	14.47	13.03	13.01	12.21
30	18.12	15.01	14.12	12.68	12.89	12.22
FEB. 6	17.19	14.90	13.74	12.84	13.13	12.45
13	16.51	15.51	14.43	13.31	13.59	12.88
20	15.81	14.68	14.76	12.98	13.32	12.72
27	14.96	14.19	13.61	12.89	13.63	12.76
MAR. 6	15.73	14.48	14.13	13.14	13.83	13.00

\* 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.

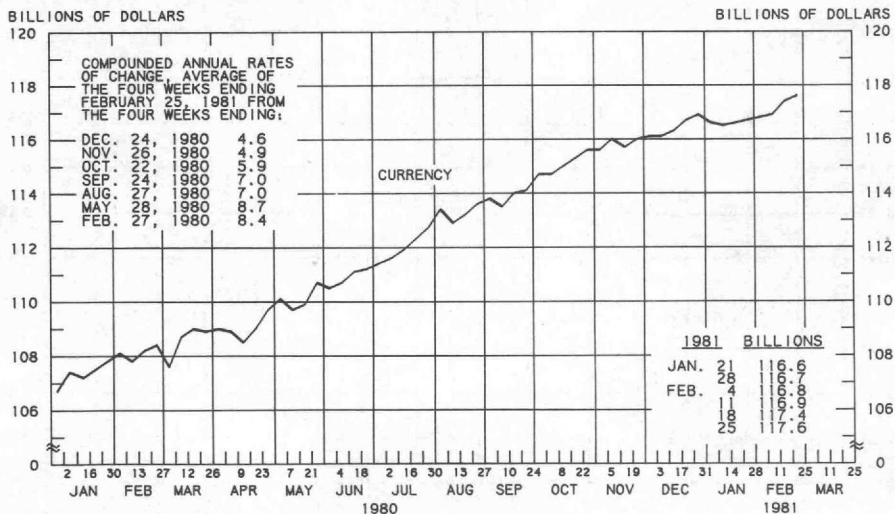
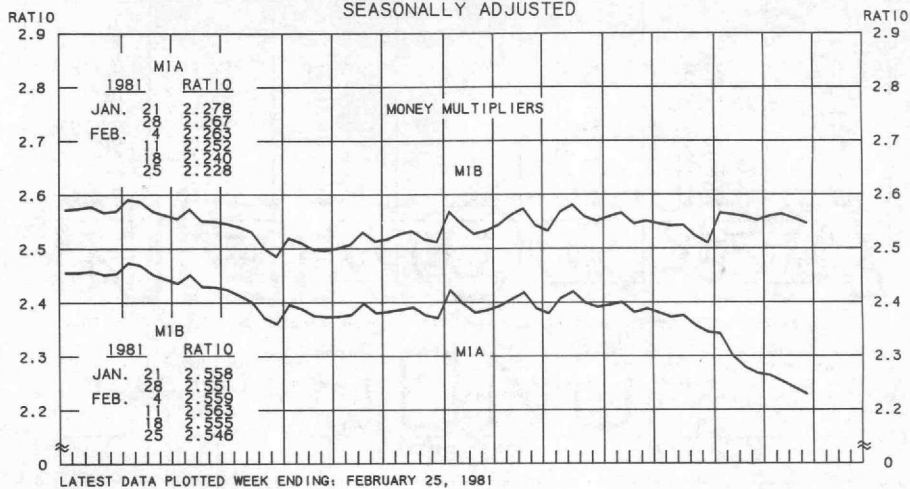
\*\*\*\* NEW ISSUE RATE

\*\*\*\*\* 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 <sup>1/</sup>  
CURRENCY OF MONEY STOCK MEASURES <sup>2/</sup>  
AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 25, 1981

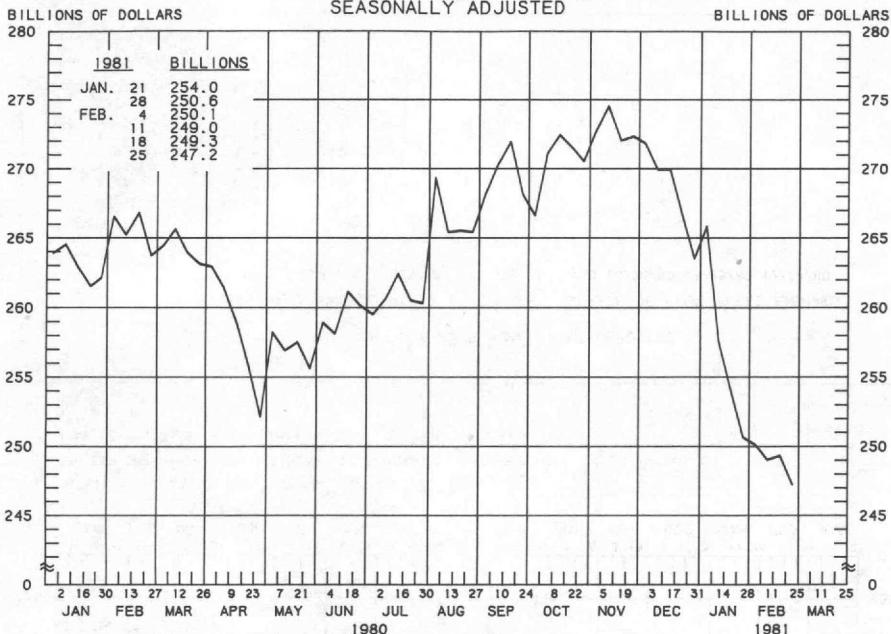
1/ RATIO OF MONEY STOCK (MIA) OR (MIB) TO ADJUSTED MONETARY BASE

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: FEBRUARY 25, 1981

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:

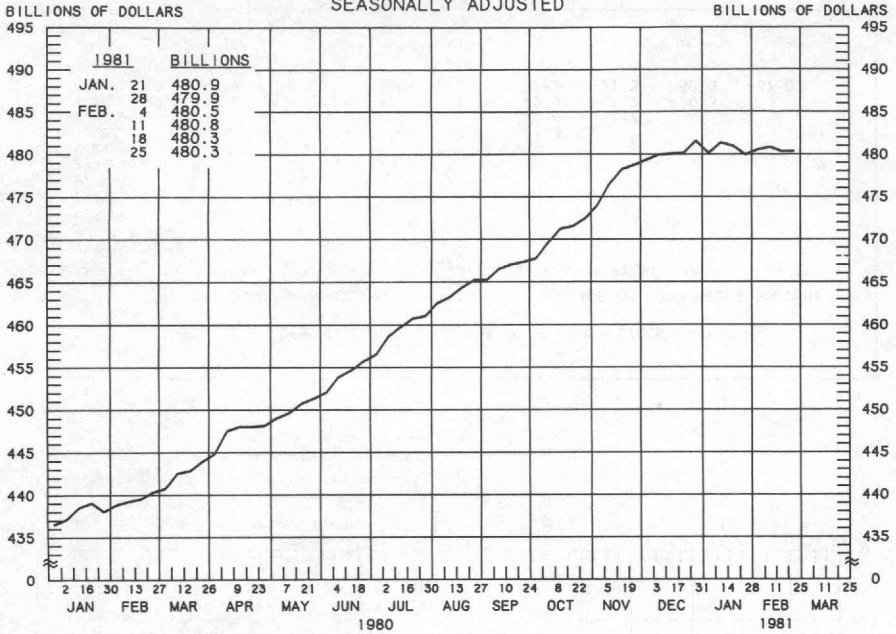
2/27/80    5/28/80    7/23/80    8/27/80    9/24/80    10/22/80    11/26/80    12/24/80

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

7/23/80	-4.4							
8/27/80	0.6	15.3						
9/24/80	2.6	15.6	21.1					
10/22/80	2.8	13.3	15.6	10.2				
11/26/80	3.7	12.7	14.0	10.1	7.3			
12/24/80	1.8	8.6	8.2	3.7	0.0	-1.7		
1/28/81	-3.5	-0.1	-2.8	-8.1	-12.9	-17.2	-29.3	
2/25/81	-6.3	-4.2	-7.5	-12.7	-17.2	-21.3	-30.8	-37.0

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: FEBRUARY 25, 1981

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

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

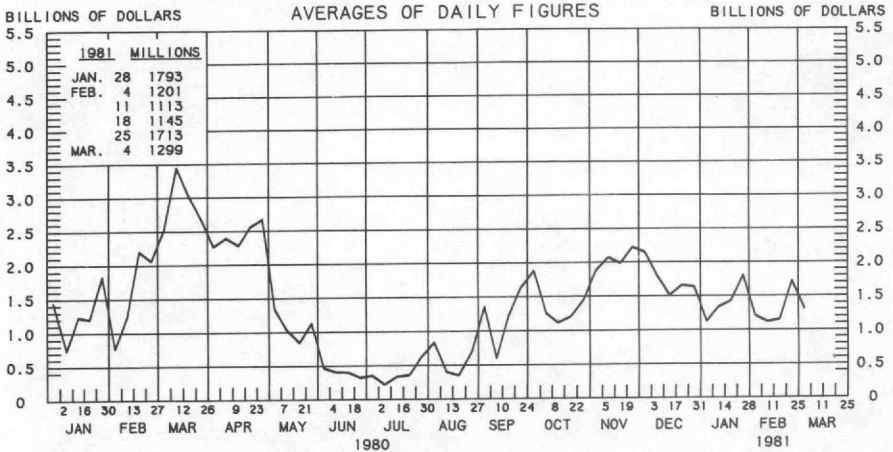
SAVINGS PLUS SMALL TIME DEPOSITS

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

	2/27/80	5/28/80	7/23/80	8/27/80	9/24/80	10/22/80	11/26/80	12/24/80
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/23/80	11.3							
8/27/80	11.4	12.6						
9/24/80	10.9	11.5	10.0					
10/22/80	10.8	11.2	10.0	9.0				
11/26/80	11.5	12.2	11.7	11.7	13.4			
12/24/80	11.2	11.7	11.1	10.9	11.9	12.7		
1/28/81	10.2	10.2	9.3	8.8	9.0	8.6	4.7	
2/25/81	9.3	9.1	8.0	7.3	7.2	6.6	3.1	0.8

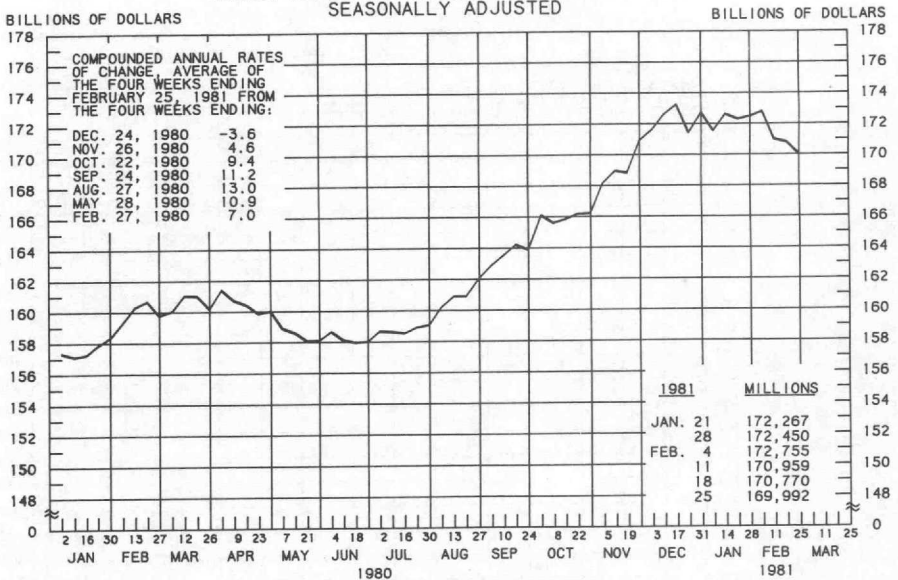
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# BORROWINGS FROM FEDERAL RESERVE BANKS



LATEST DATA PLOTTED WEEK ENDING: MARCH 4, 1981

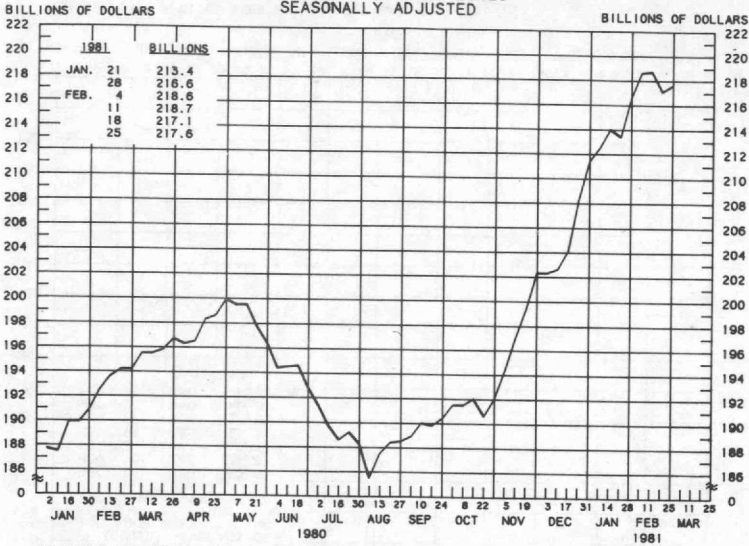
# BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 25, 1981

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: FEBRUARY 25, 1981  
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