



S. FINANCIAL DATA

Week ending: May 13, 1981

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Both the discount rate and the prime rate have increased in recent weeks. The discount rate -- the interest rate the Federal Reserve charges depository institutions for borrowing -- was increased from 13 percent to 14 percent on May 5. In addition, the 3 percent surcharge applicable to large, frequent borrowers was increased to 4 percent. These actions were taken in light of the currently high levels of short-term market interest rates and the need to maintain restraint in monetary aggregate growth. The increase in the discount rate comes in the face of relatively large borrowings from Federal Reserve Banks (see page 11). Allowing the discount rate to remain substantially below other market rates would have further encouraged borrowing from Federal Reserve Banks, providing support for undesired monetary aggregate growth.

The prime lending rate at most large commercial banks -- the interest rate these banks charge their corporate borrowers with the highest credit rating -- was raised to 19.50 percent on May 11. This rate is now 250 basis points above the most recent trough in the prime rate, which occurred in the latter part of March.

The recent prime rate increases reflect the interaction of two factors. One is the strengthening of business credit demand, which is reflected in the recent increase in commercial and industrial loans at weekly reporting large commercial banks. For example, from the four weeks ending March 25 to the four weeks ending May 6, business loans at large commercial banks increased at a 19.6 percent annual rate, after sharply declining at a 13.5 percent rate in the previous seven weeks.

The second factor contributing to the recent increases in the prime rate is the rising cost to banks of acquiring additional loanable funds. Because large negotiable certificates of deposit (CDs) represent an important source of such funds, increases in the cost of such deposits are soon reflected in increases in the prime rate. Since the week ending March 27, the 90-day CD rate has risen almost 500 basis points, a rise similar to the yield on other short-term securities.

Prepared by Federal Reserve Bank of St. Louis

Released: May 15, 1981

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: MAY 13, 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:

5/14/80 8/13/80 10/15/80 11/12/80 12/10/80 1/14/81 2/11/81 3/11/81

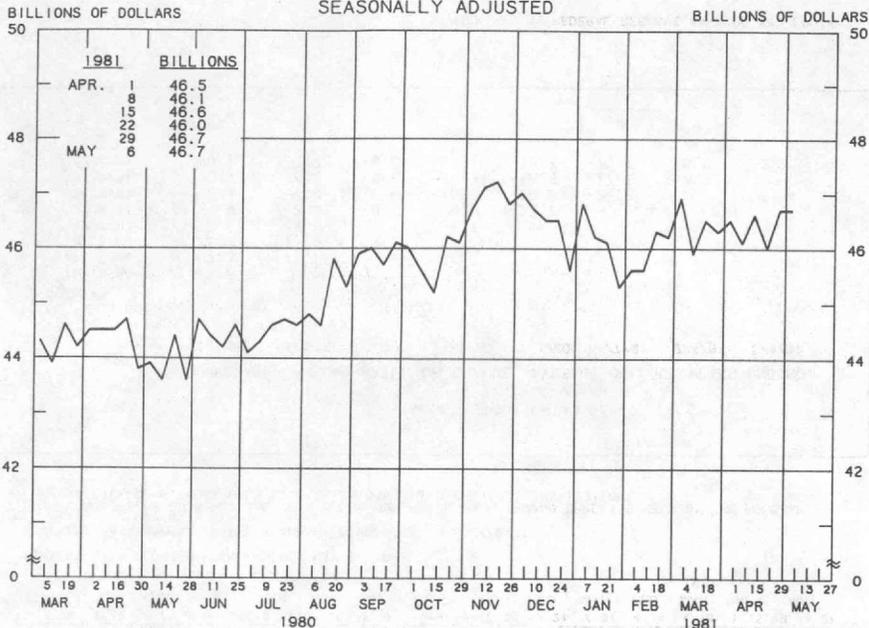
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/15/80	10.3							
11/12/80	11.0	11.4						
12/10/80	10.5	10.4	11.0					
1/14/81	8.9	8.0	6.7	3.3				
2/11/81	7.6	6.2	4.3	1.2	-1.4			
3/11/81	8.1	7.0	5.8	3.8	2.7	4.5		
4/15/81	7.8	6.9	5.8	4.3	3.6	5.0	8.8	
5/13/81	7.9	7.1	6.2	5.0	4.6	5.9	8.9	7.3

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED BANK RESERVES ^{1/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



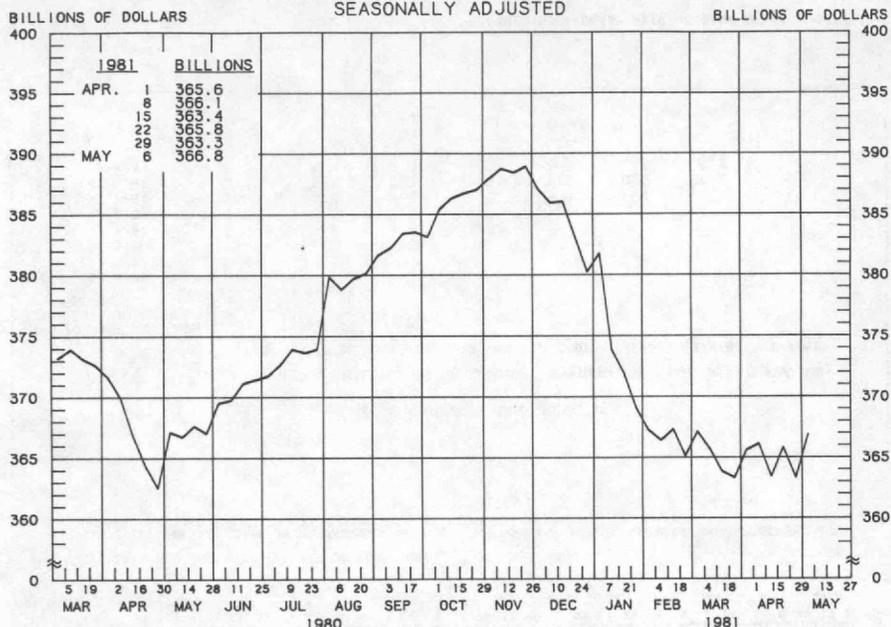
LATEST DATA PLOTTED WEEK ENDING: MAY 6, 1981

^{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:									
	5/7/80	8/6/80	10/8/80	11/5/80	12/3/80	1/7/81	2/4/81	3/4/81	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
10/ 8/80	9.3								
11/ 5/80	8.8	13.1							
12/ 3/80	11.2	16.6	16.6						
1/ 7/81	7.5	9.2	4.4	3.8					
2/ 4/81	4.9	5.0	-0.7	-2.6	-13.9				
3/ 4/81	5.8	6.3	2.2	1.3	-5.8	-1.4			
4/ 8/81	5.4	5.7	2.2	1.5	-3.6	0.0	7.8		
5/ 6/81	5.2	5.4	2.3	1.7	-2.5	0.7	6.3	2.5	

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MONEY STOCK (M1A)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 6, 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.

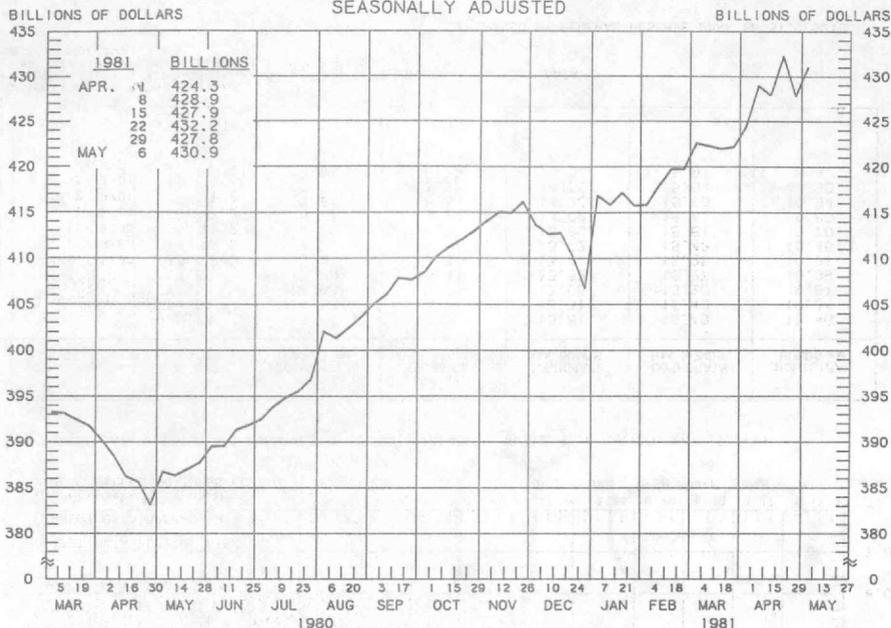
MONEY STOCK (M1A)

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

	5/7/80	8/6/80	10/8/80	11/5/80	12/3/80	1/7/81	2/4/81	3/4/81
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 8/80	12.5							
11/ 5/80	12.3	13.1						
12/ 3/80	11.2	11.0	7.7					
1/ 7/81	7.2	4.8	-1.1	-6.1				
2/ 4/81	1.9	-2.5	-10.3	-16.0	-23.7			
3/ 4/81	0.4	-4.0	-10.9	-15.3	-20.6	-24.6		
4/ 8/81	-0.1	-4.2	-9.8	-13.1	-16.6	-17.6	-8.7	
5/ 6/81	-0.1	-3.7	-8.5	-11.1	-13.7	-13.7	-6.0	-2.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1B)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 6, 1981

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:

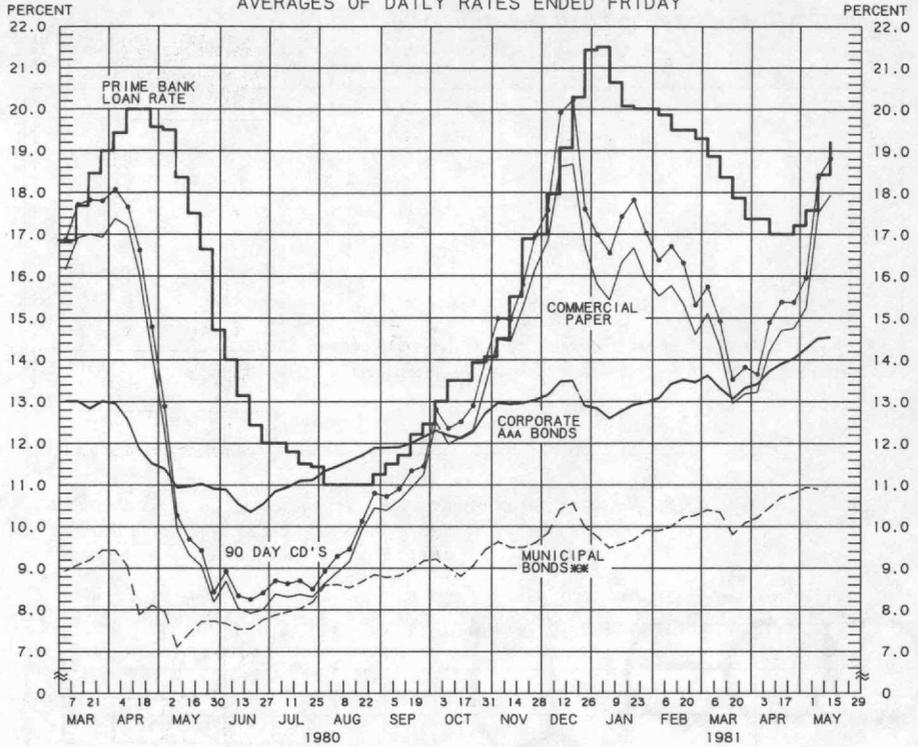
TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

	5/7/80	8/6/80	10/8/80	11/5/80	12/3/80	1/7/81	2/4/81	3/4/81
10/ 8/80	14.8							
11/ 5/80	14.6	16.2						
12/ 3/80	13.6	14.2	10.6					
1/ 7/81	10.3	8.7	3.1	-1.3				
2/ 4/81	10.8	9.7	5.8	3.5	1.7			
3/ 4/81	11.0	10.1	7.1	5.7	5.0	14.0		
4/ 8/81	11.0	10.3	7.9	6.9	6.7	12.9	11.9	
5/ 6/81	11.5	11.0	9.2	8.5	8.6	14.1	13.7	14.1

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: MAY 15, 1981

1981	90 DAY CD'S	PRIME COMMERCIAL PAPER ***	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ***
MAR. 6	15.74	15.11	15.22	13.61	15.49	10.40
13	14.92	14.30	14.31	13.31	15.40	10.34
20	13.53	12.96	13.09	13.06	15.20	9.81
27	13.82	13.19	13.44	13.32	15.27	10.09
APR. 3	13.65	13.22	13.31	13.41	15.25	10.21
10	14.89	14.22	14.59	13.72	15.42	10.45
17	15.38	14.70	14.89	13.89	15.61	10.70
24	15.37	14.75	14.92	14.02	15.71	10.80
MAY 1	15.95	15.24	15.55	14.26	15.80	10.94
8	18.36	17.52	17.85	14.50	15.94	10.90
15 *	18.81	17.93	18.22	14.53	15.97	N.A.
22						
29						

* AVERAGES OF RATES AVAILABLE.

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

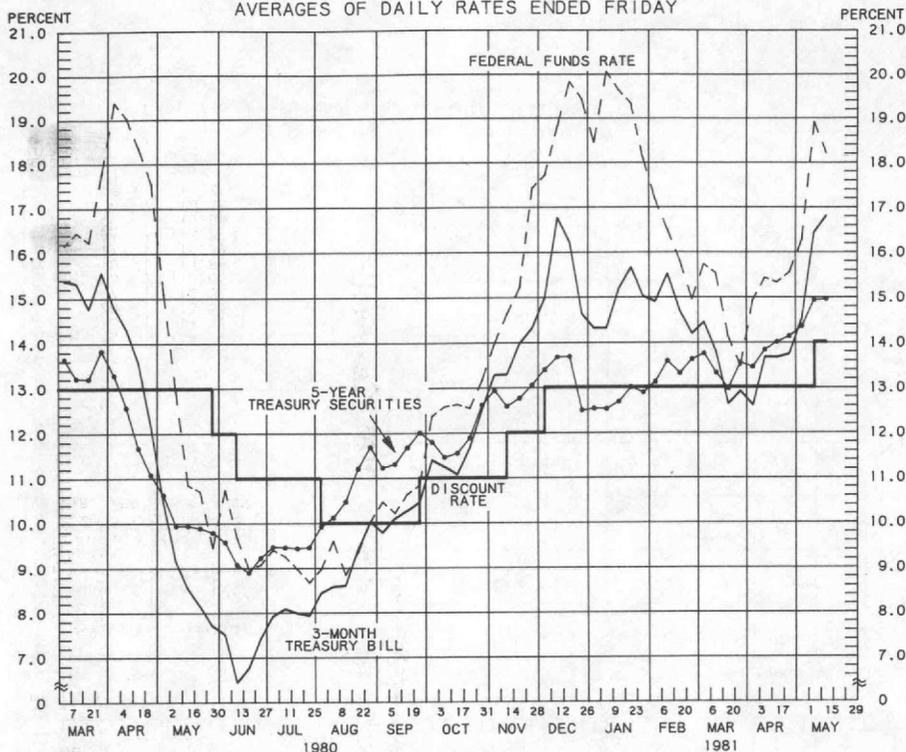
*** DATA ARE 4-MONTH COMMERCIAL PAPER RATES.

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: MAY 15, 1981

1981	FEDERAL FUNDS **	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL ***	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
MAR. 6	15.73	14.44	14.13	13.07	13.76	12.88
13	15.53	13.79	13.43	12.46	13.33	12.51
20	14.13	12.63	12.10	11.69	12.98	12.20
27	13.48	12.91	12.27	12.09	13.55	12.74
APR. 3	14.93	12.60	12.08	11.86	13.46	12.68
10	15.43	13.67	13.78	12.53	13.84	13.02
17	15.33	13.66	13.65	12.80	14.01	13.11
24	15.55	13.74	13.62	13.05	14.14	13.12
MAY 1	16.28	14.52	14.29	13.41	14.36	13.37
8	18.91	16.44	15.10	14.44	14.94	13.72
15 *	18.21	16.80	15.53	14.73	14.96	13.66
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.

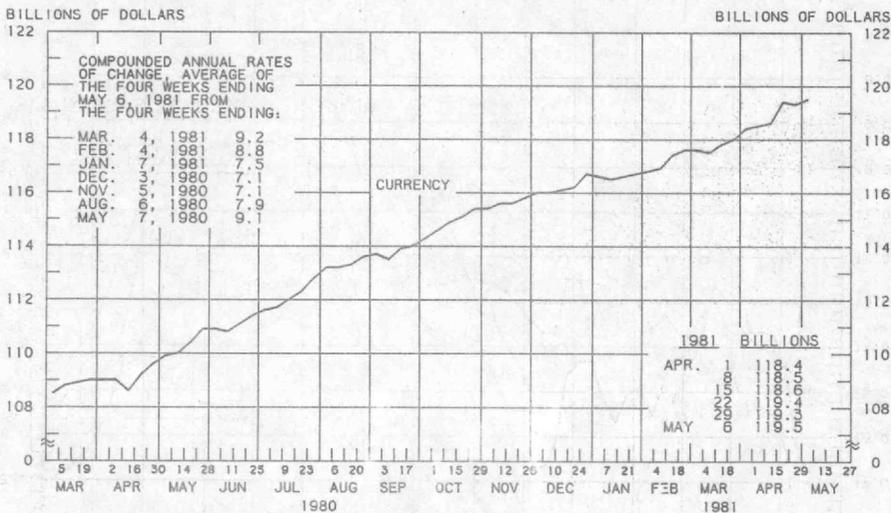
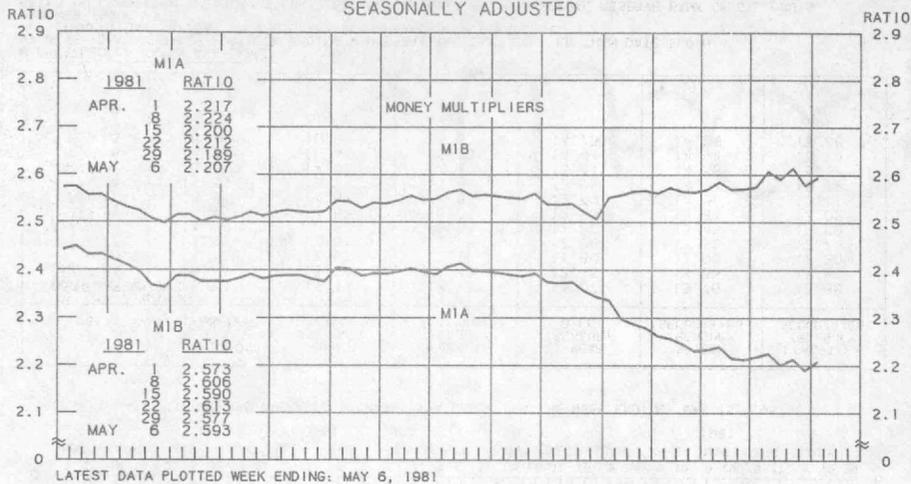
**** NEW ISSUE RATE

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

TREASURY BILL YIELDS ON DISCOUNT BASIS.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



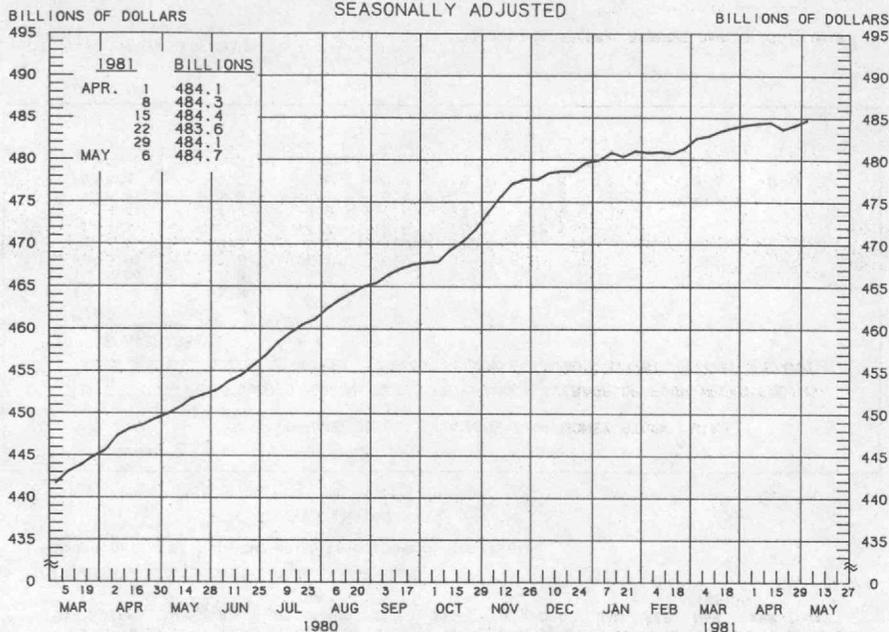
LATEST DATA PLOTTED WEEK ENDING: MAY 6, 1981

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:									
	5/7/80	8/6/80	10/8/80	11/5/80	12/3/80	1/7/81	2/4/81	3/4/81	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
10/ 8/80	13.3								
11/ 5/80	12.8	14.3							
12/ 3/80	11.6	11.7	6.9						
1/ 7/81	6.2	3.2	-4.9	-11.0					
2/ 4/81	-1.0	-6.7	-16.9	-23.7	-33.5				
3/ 4/81	-3.2	-8.9	-17.9	-23.3	-30.2	-35.2			
4/ 8/81	-3.9	-9.1	-16.5	-20.6	-25.2	-26.6	-15.7		
5/ 6/81	-4.0	-8.6	-15.0	-18.3	-21.8	-21.9	-12.4	-7.9	

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: MAY 6, 1981

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

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

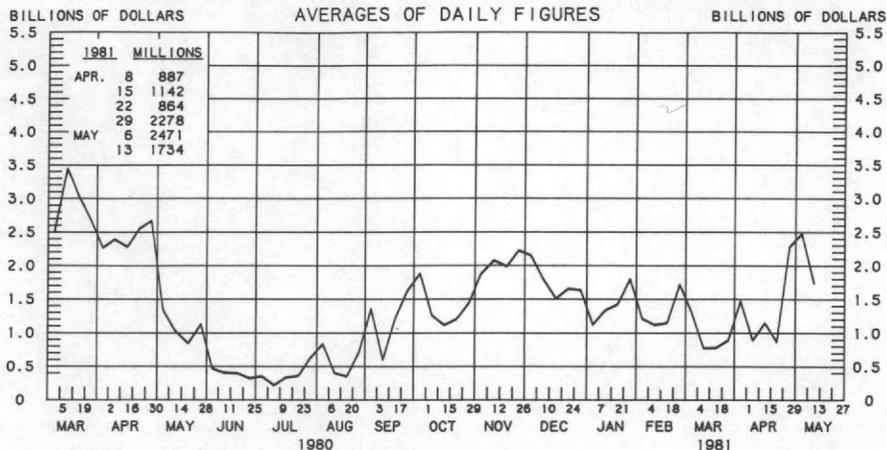
SAVINGS PLUS SMALL TIME DEPOSITS

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

	5/7/80	8/6/80	10/8/80	11/5/80	12/3/80	1/7/81	2/4/81	3/4/81
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 8/80	10.1							
11/ 5/80	10.2	9.3						
12/ 3/80	11.1	11.1	13.8					
1/ 7/81	10.2	9.6	10.3	10.1				
2/ 4/81	9.5	8.8	8.8	8.2	4.6			
3/ 4/81	8.8	7.8	7.5	6.7	3.7	3.0		
4/ 8/81	8.4	7.5	7.1	6.4	4.2	4.0	3.9	
5/ 6/81	7.8	6.8	6.2	5.5	3.6	3.2	2.9	3.4

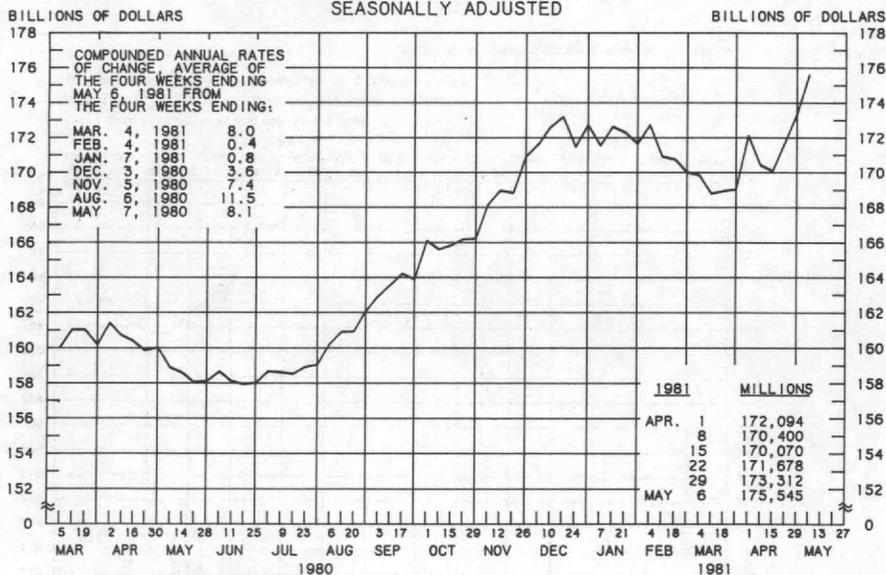
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS



LATEST DATA PLOTTED WEEK ENDING: MAY 13, 1981

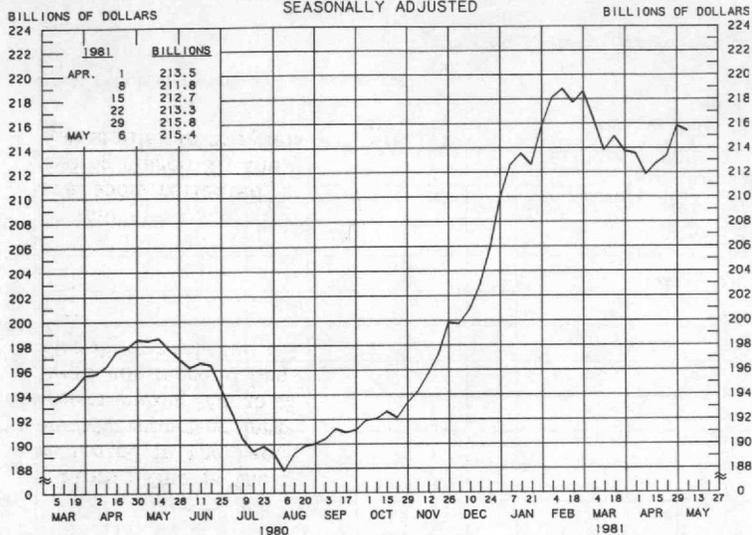
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 6, 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: MAY 6, 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