



U.S. FINANCIAL DATA

Week ending: August 12, 1981

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The volume of business loans (commercial and industrial) at large weekly-reporting commercial banks has increased substantially in the last four months. From the four weeks ending April 8 to the four weeks ending August 5, business loans increased at about a 23 percent rate. This rapid growth is similar to that experienced in the latter half of 1980: from the four weeks ending August 6, 1980 to the four weeks ending December 3, 1980, business loans increased at a comparable rate.

While the growth of business loans is similar in these two periods, the behavior of the monetary aggregates is quite different. The table below shows that M1B increased at about a 15 percent rate in the earlier period. In contrast, M1B grew at only about a 2 percent rate in the most recent period of rapid growth of business loans.

The fact that money growth was slower in this most recent period would suggest to many that interest rates, especially short-term, should have risen more rapidly over the last few months than during the prior period of sharp increases in business loans. However, money growth is only one of many factors affecting the supply and demand for credit (and even here a question exists as to whether rapid money growth leads to lower interest rates or whether it leads to accelerating inflation expectations and higher interest rates). The point is that the relationship between money growth and interest rates is not as predictable as many suggest. A comparison of interest rate movements over the two periods considered here shows the tenuous nature of this relationship. Short-term interest rates, in point of fact, rose less in the period of slow money growth than in the period of rapid money growth. For example, the 90-day CD rate rose from an average level of 14.43 in March 1981, to an average level of 17.76 in July 1981. This 333 basis point rise is less than half the rise experienced from July 1980 to November 1980.

Growth rates of M1B and Business Loans
and changes in the 90-day CD rate

<u>Period</u>	<u>Business loans at large weekly-reporting commercial banks *</u>	<u>M1B *</u>	<u>Change in 90-day CD rate</u>
8/6/80 - 12/3/80	22.5 %	14.7 %	703 **
4/8/81- 8/5/81	22.8	1.6	333 ***

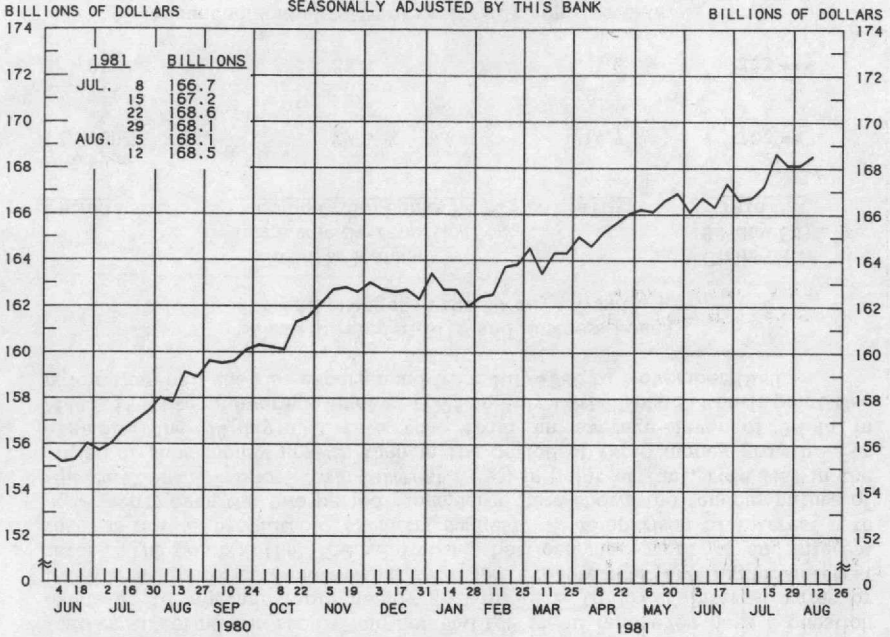
* Compounded annual rates of seasonally adjusted data.

** Basis point change from average July 1980 level to average November 1980 level.

*** Basis point change from average March 1981 level to average July 1981 level.

Prepared by Federal Reserve Bank of St. Louis
Released: August 14, 1981

ADJUSTED MONETARY BASE AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK



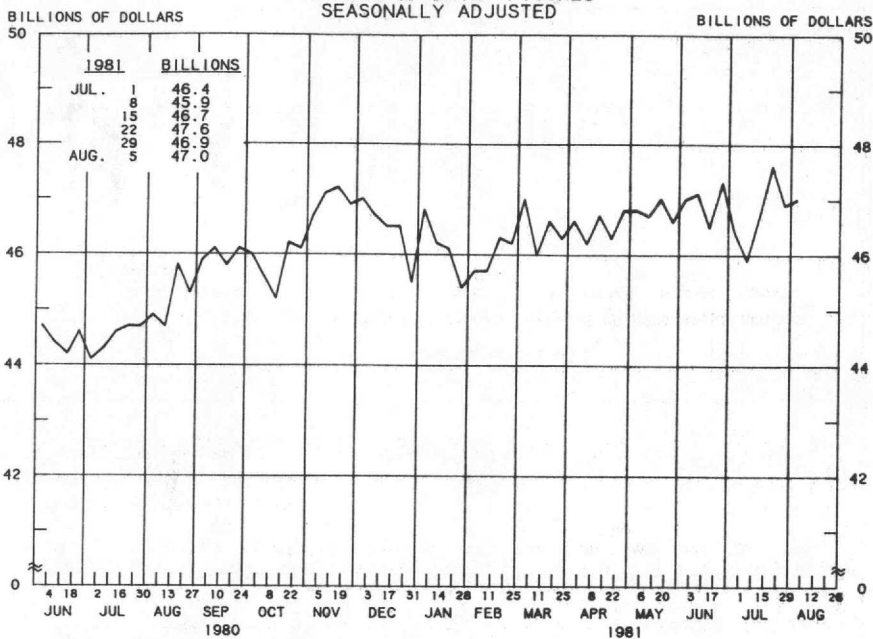
LATEST DATA PLOTTED WEEK ENDING: AUGUST 12, 1981

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:								
	8/13/80	11/12/80	1/14/81	2/11/81	3/11/81	4/15/81	5/13/81	6/10/81
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/14/81	8.0							
2/11/81	6.2	1.2						
3/11/81	7.0	3.8	4.5					
4/15/81	6.9	4.3	5.0	8.8				
5/13/81	7.2	5.1	6.1	9.2	7.6			
6/10/81	6.9	5.1	5.9	8.1	6.8	7.3		
7/15/81	6.5	4.7	5.2	6.8	5.6	5.4	3.5	
8/12/81	6.8	5.3	5.9	7.4	6.5	6.6	5.7	6.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED BANK RESERVES ^{1/}
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 5, 1981

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

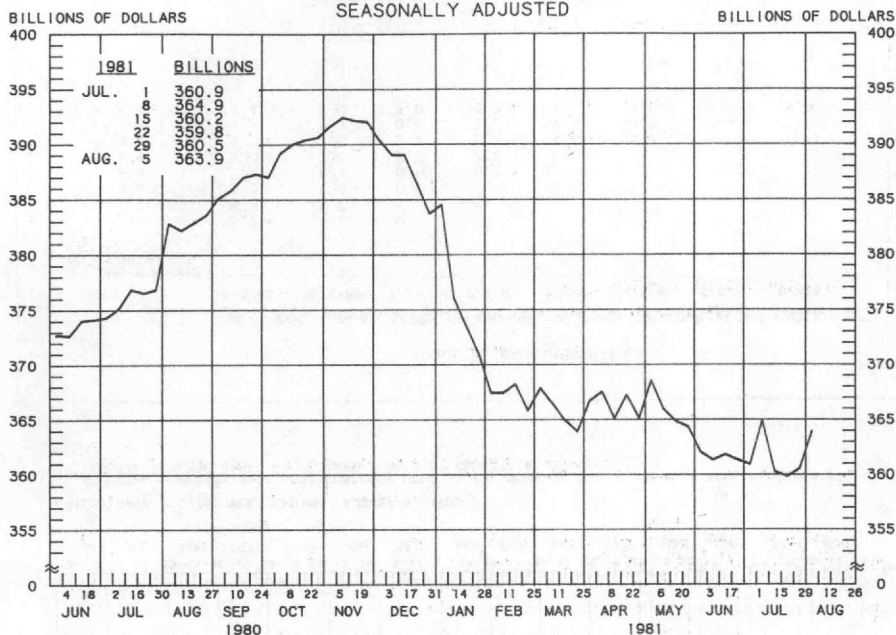
ADJUSTED BANK RESERVES

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

	8/6/80	11/5/80	1/7/81	2/4/81	3/4/81	4/8/81	5/6/81	6/3/81
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 7/81	8.7							
2/ 4/81	5.4	-1.7						
3/ 4/81	6.3	1.3	0.0					
4/ 8/81	5.7	1.5	0.9	6.5				
5/ 6/81	6.0	2.6	2.7	7.2	5.1			
6/ 3/81	5.7	2.6	2.7	6.1	4.4	5.7		
7/ 8/81	4.4	1.3	0.9	3.1	1.3	0.9	-2.4	
8/ 5/81	5.4	2.9	3.0	5.3	4.1	4.7	3.5	3.8

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MONEY STOCK (M1A) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 5, 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.

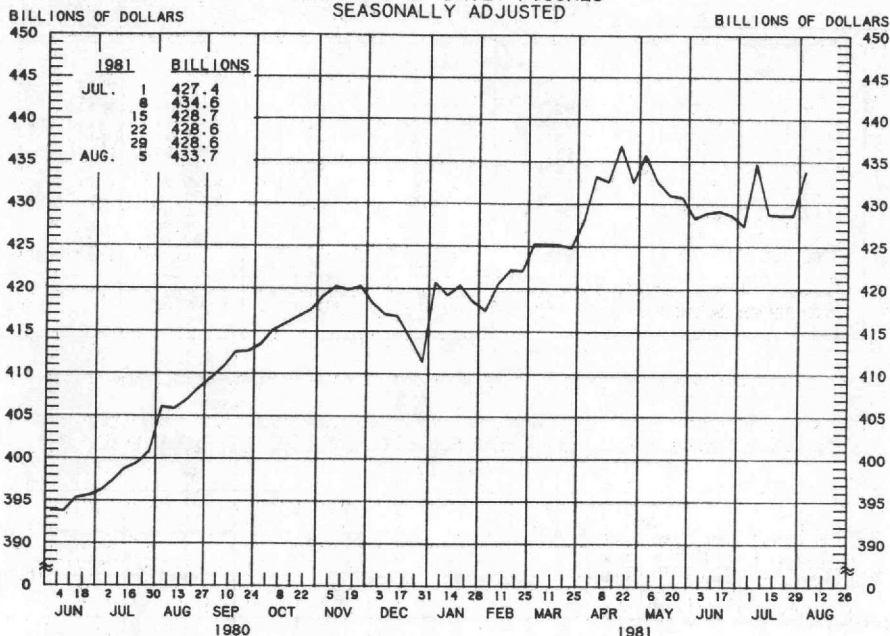
MONEY STOCK (M1A)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	8/6/80	11/5/80	1/7/81	2/4/81	3/4/81	4/8/81	5/6/81	6/3/81
1/ 7/81	4.9							
2/ 4/81	-3.3	-17.8						
3/ 4/81	-4.9	-17.2	-27.5					
4/ 8/81	-4.8	-14.4	-19.3	-9.3				
5/ 6/81	-4.1	-12.0	-14.6	-5.8	-1.3			
6/ 3/81	-4.4	-11.4	-13.3	-6.2	-3.2	-2.6		
7/ 8/81	-4.6	-10.6	-11.9	-6.1	-4.0	-3.9	-6.6	
8/ 5/81	-4.5	-10.0	-10.9	-5.8	-3.9	-3.9	-5.8	-5.0

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MONEY STOCK (M1B)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 5, 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)

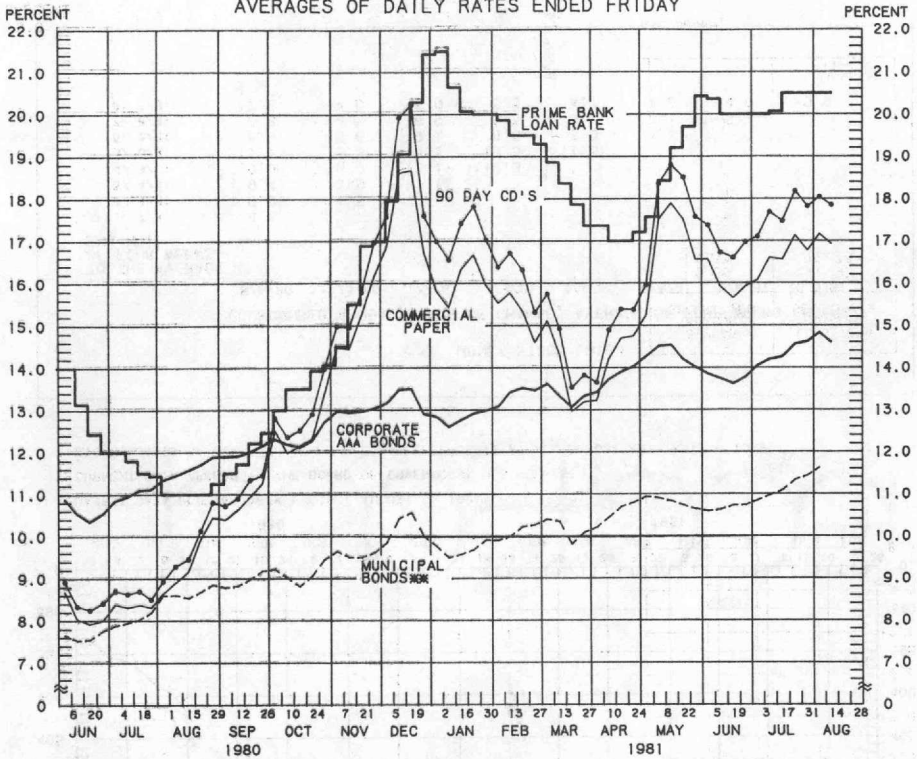
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	8/6/80	11/5/80	1/7/81	2/4/81	3/4/81	4/8/81	5/6/81	6/3/81
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 7/81	8.8							
2/ 4/81	9.0	1.5						
3/ 4/81	9.4	3.9	11.1					
4/ 8/81	10.0	6.0	12.1	12.8				
5/ 6/81	11.1	8.3	14.3	15.5	17.3			
6/ 3/81	8.9	5.6	9.1	8.8	7.9	4.5		
7/ 8/81	7.8	4.5	6.9	6.3	5.1	2.1	-5.7	
8/ 5/81	7.2	4.0	6.0	5.3	4.2	1.6	-4.0	-0.9

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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: AUGUST 14, 1981

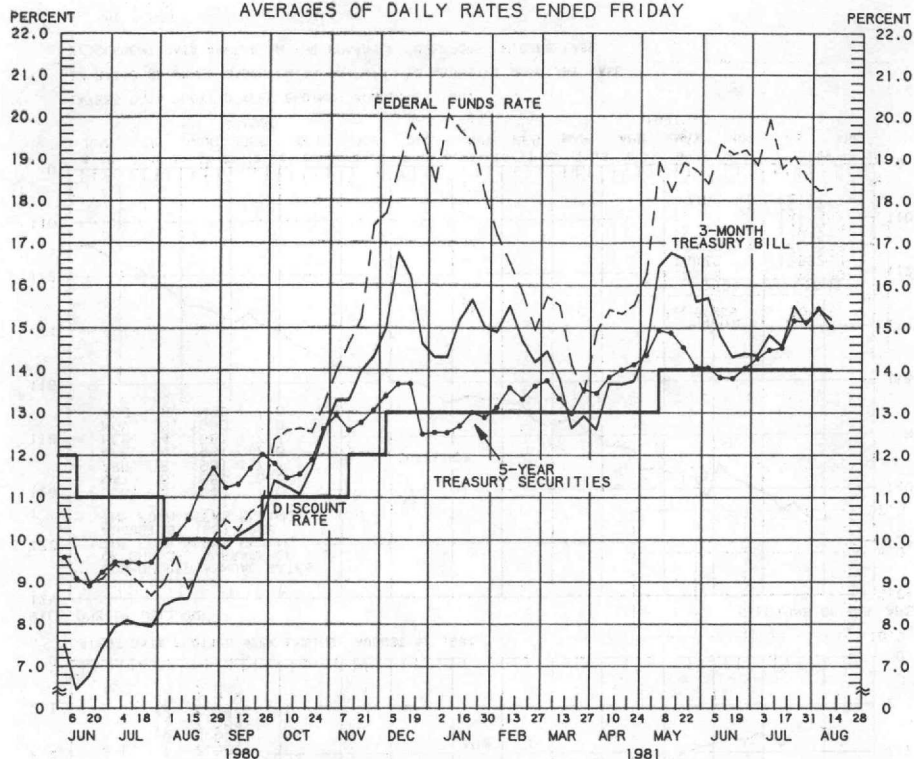
1981	90 DAY CD'S	PRIME COMMERCIAL PAPER	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS
JUNE 5	17.37	16.56	16.77	13.84	15.78	10.59
12	16.72	15.91	16.17	13.73	15.76	10.63
19	16.60	15.65	16.15	13.61	15.75	10.73
26	16.97	15.92	16.26	13.77	15.82	10.74
JULY 3	17.10	16.07	16.58	14.04	15.97	10.85
10	17.68	16.60	17.03	14.19	16.05	10.97
17	17.47	16.55	16.86	14.25	16.15	11.09
24	18.18	17.13	17.55	14.55	16.30	11.34
31	17.82	16.77	17.26	14.61	16.25	11.44
AUG. 7	18.04	17.16	17.41	14.82	16.31	11.63
14 *	17.85	16.93	17.20	14.59	16.20	N.A.
21						
28						

* 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 14, 1981

1981	FEDERAL FUNDS ^{***}	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL ^{***}	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
JUNE 5	18.40	15.69	14.49	13.53	14.06	12.93
12	19.33	14.79	14.00	13.15	13.83	12.73
19	19.10	14.31	13.36	13.03	13.81	12.62
26	19.20	14.39	13.94	13.20	14.05	12.92
JULY 3	18.84	14.34	13.62	13.30	14.28	13.22
10	19.93	14.82	14.05	13.58	14.48	13.28
17	18.76	14.56	14.23	13.56	14.53	13.29
24	19.05	15.50	15.32	14.40	15.17	13.74
31	18.54	15.07	14.79	14.25	15.13	13.76
AUG. 7	18.25	15.43	15.57	14.63	15.45	14.04
14 [*]	18.29	15.19	15.12	14.38	15.02	13.75

^{*} 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.

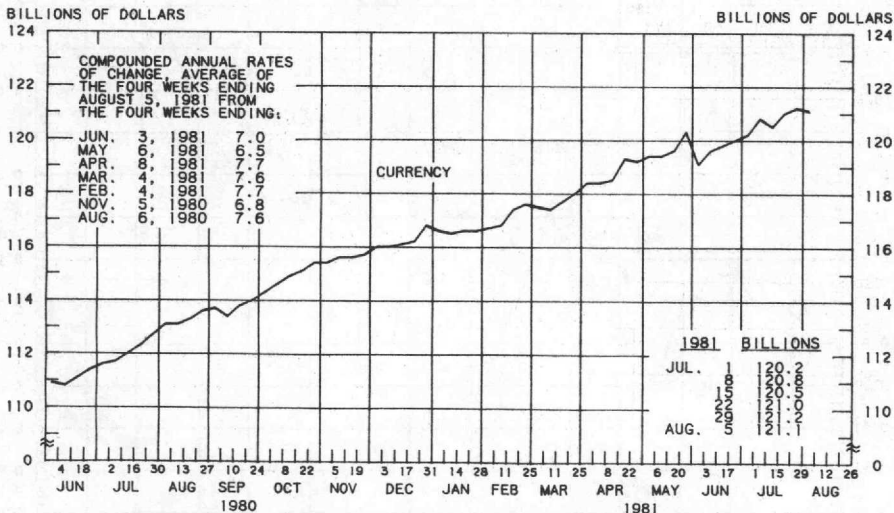
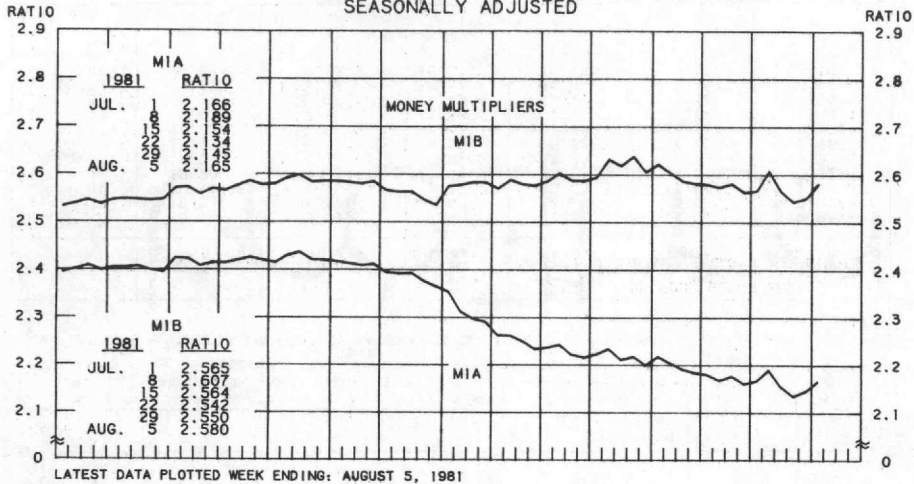
^{****} NEW ISSUE RATE

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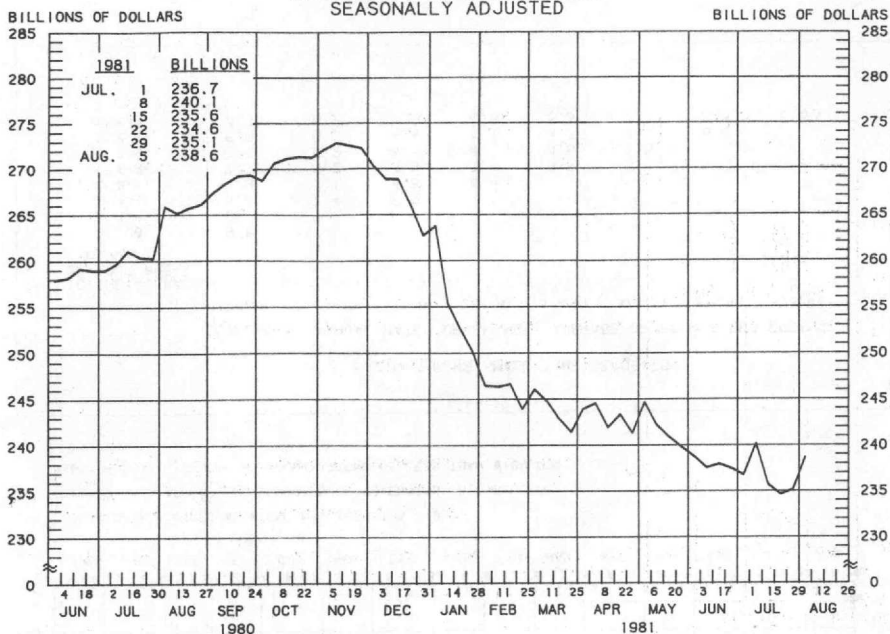
MULTIPLIERS ^{1/} CURRENCY OF MONEY STOCK MEASURES ^{2/} AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 5, 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: AUGUST 5, 1981

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

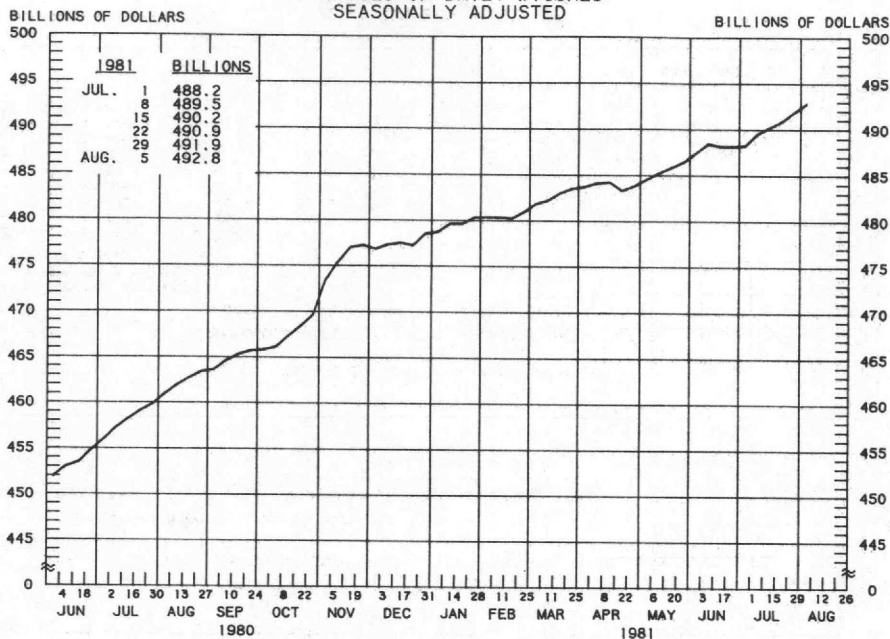
DEMAND DEPOSIT COMPONENT OF MONEY STOCK (M1A)

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

	8/6/80	11/5/80	1/7/81	2/4/81	3/4/81	4/8/81	5/6/81	6/3/81
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 7/81	3.2							
2/ 4/81	-8.0	-26.7						
3/ 4/81	-10.4	-26.2	-39.3					
4/ 8/81	-10.4	-22.8	-29.4	-16.9				
5/ 6/81	-9.6	-20.0	-23.7	-12.6	-6.6			
6/ 3/81	-9.8	-19.0	-21.7	-12.6	-8.5	-7.5		
7/ 8/81	-9.8	-17.7	-19.5	-11.9	-8.8	-8.3	-10.9	
8/ 5/81	-9.9	-17.0	-18.4	-11.7	-9.1	-8.8	-10.7	-9.9

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 5, 1981

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

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

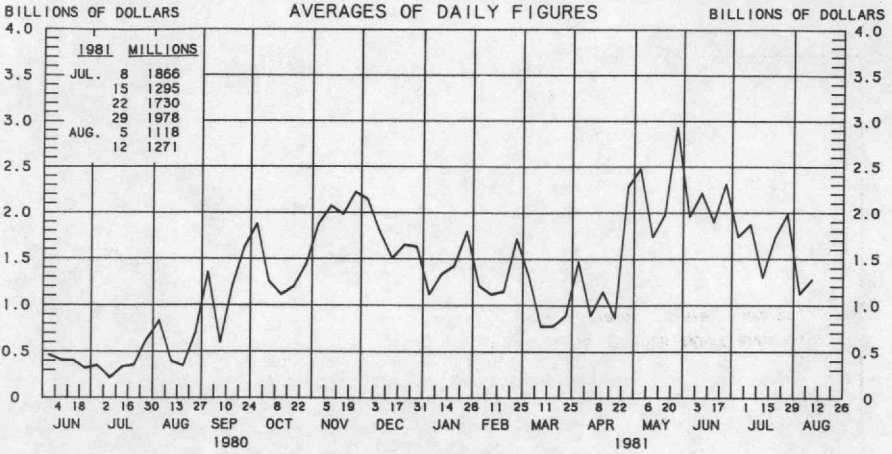
SAVINGS PLUS SMALL TIME DEPOSITS

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

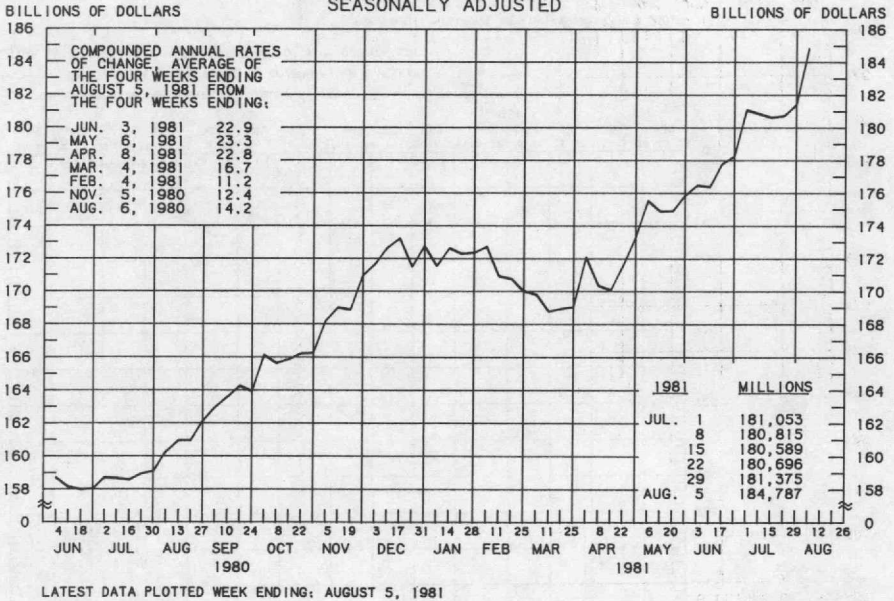
TO THE AVERAGE OF FOUR WEEKS ENDING:	8/6/80	11/5/80	1/7/81	2/4/81	3/4/81	4/8/81	5/6/81	6/3/81
1/ 7/81	9.8							
2/ 4/81	9.1							
3/ 4/81	8.2	9.1	3.9					
4/ 8/81	7.9	7.4	4.8	4.4				
5/ 6/81	7.2	7.1	3.9	3.4	3.9			
6/ 3/81	7.1	6.2	4.3	4.0	4.6	3.5		
7/ 8/81	6.9	6.0	4.4	4.2	4.7	4.1	5.5	
8/ 5/81	7.0	6.2	4.9	4.8	5.3	5.1	6.3	6.5

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BORROWINGS FROM FEDERAL RESERVE BANKS

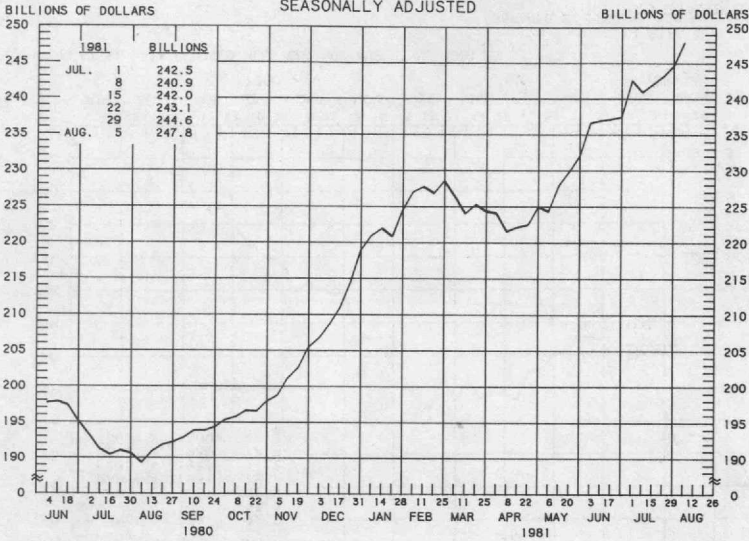


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



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: AUGUST 5, 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