



U.S. FINANCIAL DATA

Week ending: September 16, 1981

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Most large commercial banks recently have lowered their prime lending rate to 20 percent, the first change in the prime rate since early July when it was raised to 20.50 percent. The prime rate has been changed on 19 different occasions this year, varying from the high of 20.50 percent in July, as well as early January, to a low of 17 percent in late March and then again in early April.

The most recent change in the prime rate has taken place despite little apparent easing in business loan activity (see page 11). Business loans at large weekly reporting commercial banks continue to grow at rapid rates. The decline in the prime rate, however, does reflect an easing in the cost to banks of acquiring additional loanable funds. Large negotiable certificates of deposits (CDs) represent an important source of such funds. Like most other short-term interest rates, the 90-day CD rate has declined almost 100 basis points in the last week.

In addition to this decline, the federal funds rate has been falling steadily since the middle of July. Recent weekly data for the federal funds rate indicates that this rate has fallen almost 400 basis points from its most recent peak in July. This decline has been associated with a slightly more rapid expansion of the adjusted monetary base. From the four weeks ending July 15 to the four weeks ending September 16, the adjusted monetary base increased at a 4.9 percent rate. In contrast, the adjusted monetary base increased at a 3.5 percent rate in the prior two-month period.

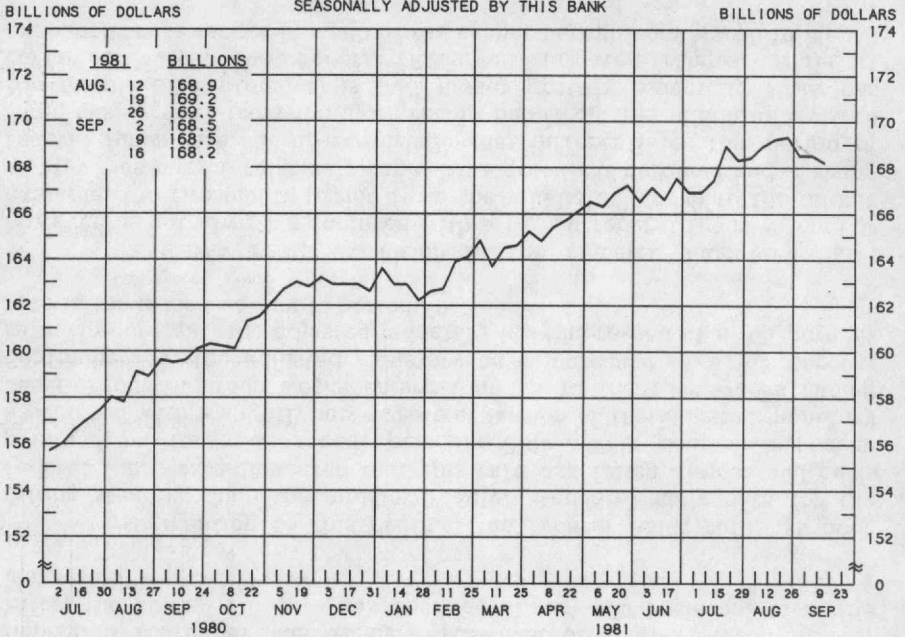
A fairly rapid expansion in the adjusted monetary base, however, is not always associated with a falling federal funds rate. For example, the two-month period from the middle of March to the middle of May was one of relatively rapid base growth (8 percent) and a rising federal funds rate. A characteristic that differentiates this period of rapid base growth from the more recent one (from the middle of July to the middle of September) is that money growth, especially M1B, has remained within the Federal Reserve's targeted ranges, while it exceeded these ranges in much of the earlier period from March to May.

Prepared by Federal Reserve Bank of St. Louis

Released: September 18, 1981

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 16, 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:

9/17/80 12/17/80 2/18/81 3/18/81 4/15/81 5/13/81 6/17/81 7/15/81

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/18/81	5.3						
3/18/81	6.2	3.2					
4/15/81	6.2	3.8	8.7				
5/13/81	6.6	4.9	9.1	7.8			
6/17/81	6.3	4.8	7.7	6.5	6.8		
7/15/81	5.9	4.5	6.7	5.5	5.4	3.5	
8/19/81	6.3	5.2	7.2	6.4	6.6	5.7	6.4
9/16/81	5.8	4.6	6.1	5.3	5.2	4.2	4.1
							4.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

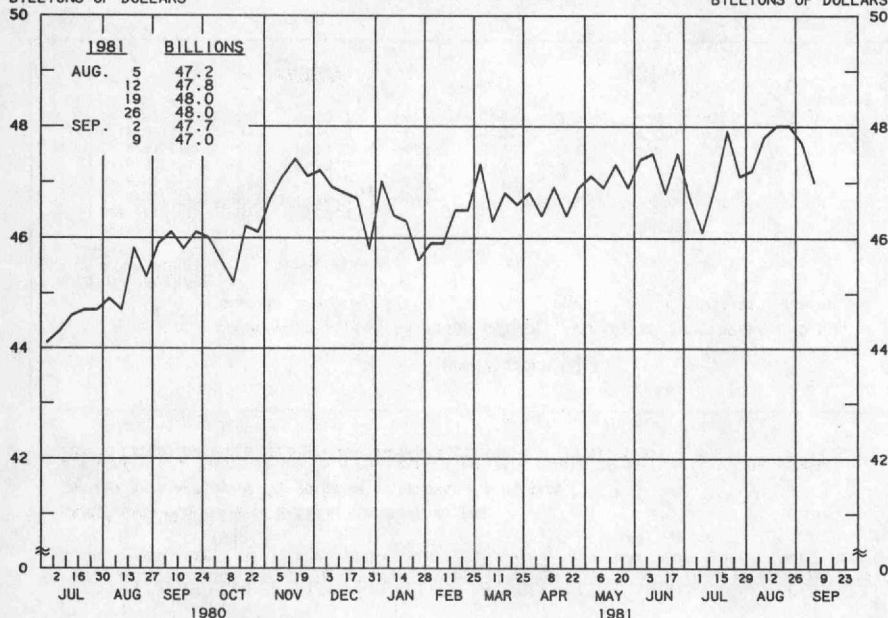
ADJUSTED BANK RESERVES ^{1/}

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 9, 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:

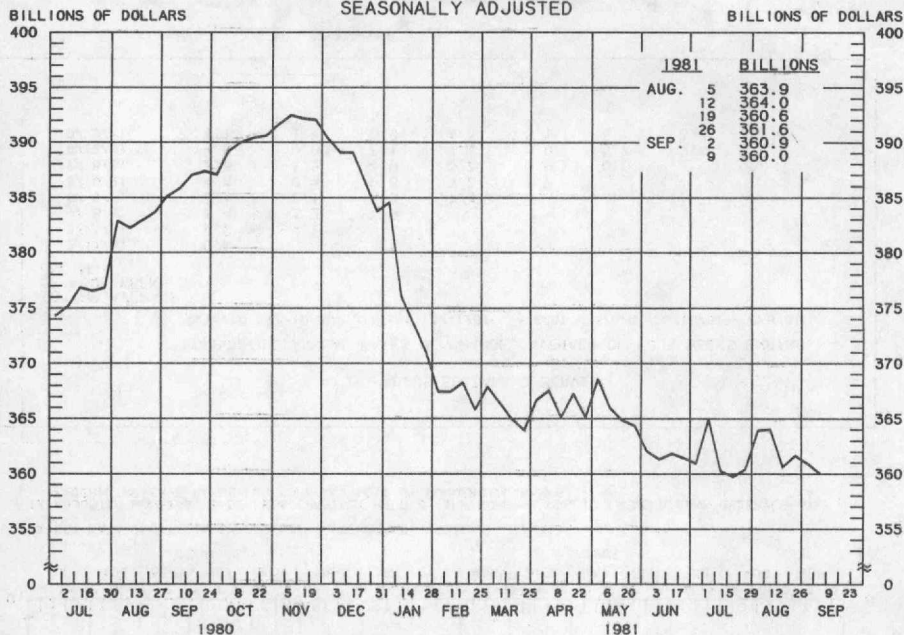
9/10/80 12/10/80 2/11/81 3/11/81 4/8/81 5/6/81 6/10/81 7/8/81

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/11/81	0.5						
3/11/81	4.0	-4.2					
4/ 8/81	3.4	-3.2	11.9				
5/ 6/81	3.4	-2.1	8.8	1.4			
6/10/81	4.4	0.4	9.6	5.2	7.7		
7/ 8/81	2.6	-1.5	4.9	0.7	0.9	0.0	
8/12/81	4.0	0.9	7.1	4.1	5.0	5.7	2.5
9/ 9/81	4.1	1.4	6.9	4.3	5.1	5.7	3.4 11.6

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MONEY STOCK (M1A) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 9, 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:

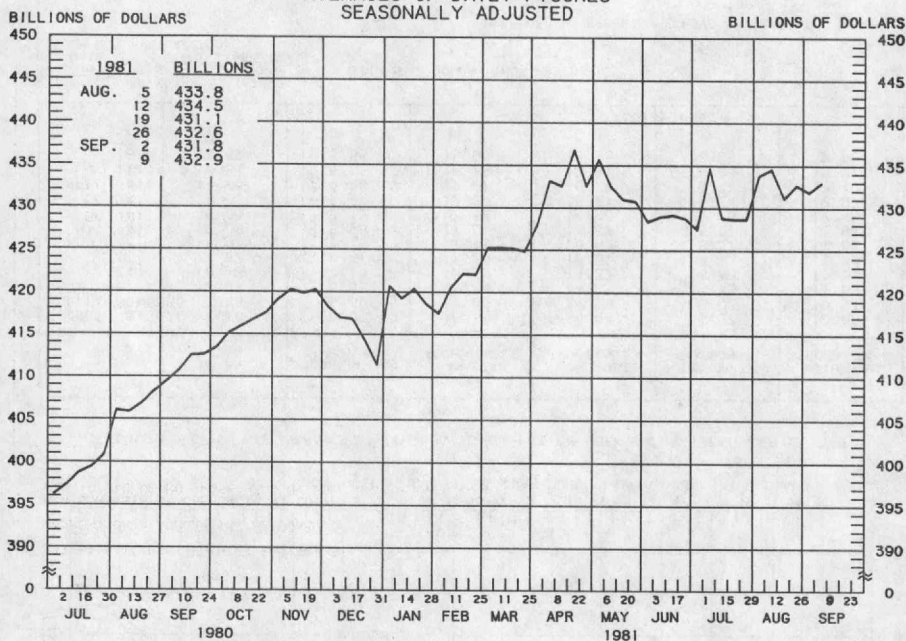
9/10/80 12/10/80 2/11/81 3/11/81 4/8/81 5/6/81 6/10/81 7/8/81

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/11/81	-8.7						
3/11/81	-8.8	-22.2					
4/ 8/81	-8.2	-18.4	-6.8				
5/ 6/81	-7.0	-14.8	-3.8	-1.1			
6/10/81	-7.3	-13.7	-5.4	-4.3	-4.2		
7/ 8/81	-6.9	-12.3	-4.9	-3.9	-3.8	-6.4	
8/12/81	-6.3	-10.8	-4.2	-3.3	-3.0	-4.5	-1.7
9/ 9/81	-6.1	-10.1	-4.2	-3.4	-3.2	-4.4	-2.5
							-2.4

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS .

MONEY STOCK (M1B) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 9, 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:

9/10/80 12/10/80 2/11/81 3/11/81 4/8/81 5/6/81 6/10/81 7/8/81

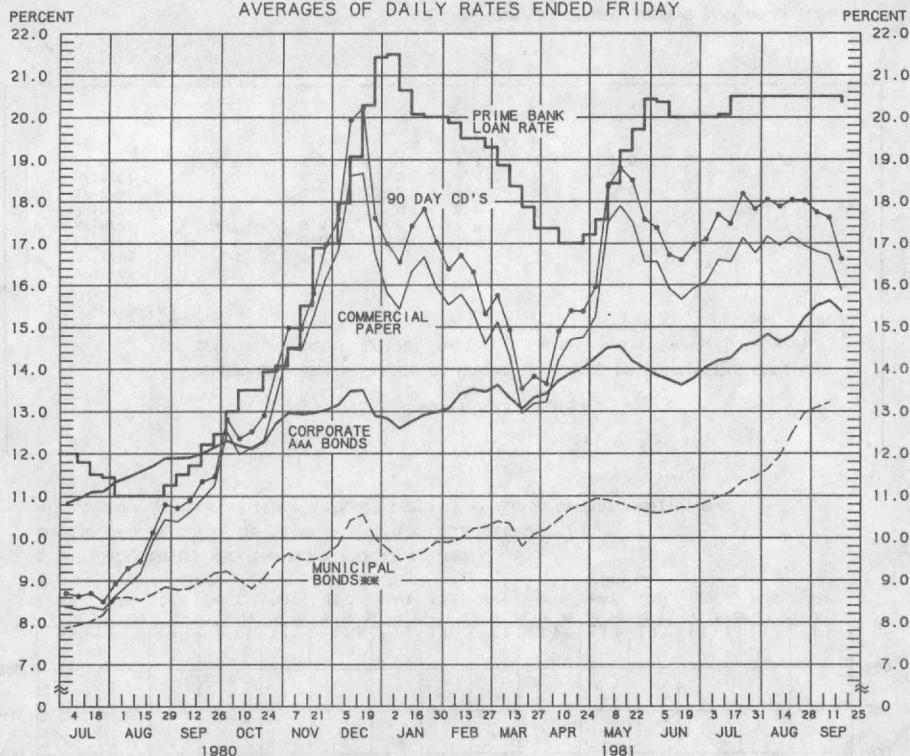
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/11/81	6.1						
3/11/81	7.4	4.7					
4/8/81	8.1	6.6	13.9				
5/6/81	9.7	9.4	16.6	17.6			
6/10/81	6.9	5.3	7.9	5.9	2.7		
7/8/81	6.3	4.7	6.5	4.7	2.2	-5.6	
8/12/81	6.0	4.5	5.9	4.4	2.5	-2.5	2.3
9/9/81	5.7	4.3	5.4	4.1	2.4	-1.5	2.3 2.9

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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: SEPTEMBER 18, 1981

1981	90 DAY CD'S	PRIME COMMERCIAL PAPER ***	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ***
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	17.88	16.95	17.23	14.62	16.21	11.94
21	18.03	17.15	17.34	14.78	16.25	12.49
28	18.02	16.94	17.24	15.21	16.54	12.97
SEP. 4	17.74	16.80	17.07	15.50	16.77	13.10
11	17.61	16.71	16.78	15.61	16.95	13.21
18 *	16.62	15.86	15.93	15.35	16.89	N.A.
25						

* AVERAGES OF RATES AVAILABLE.

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

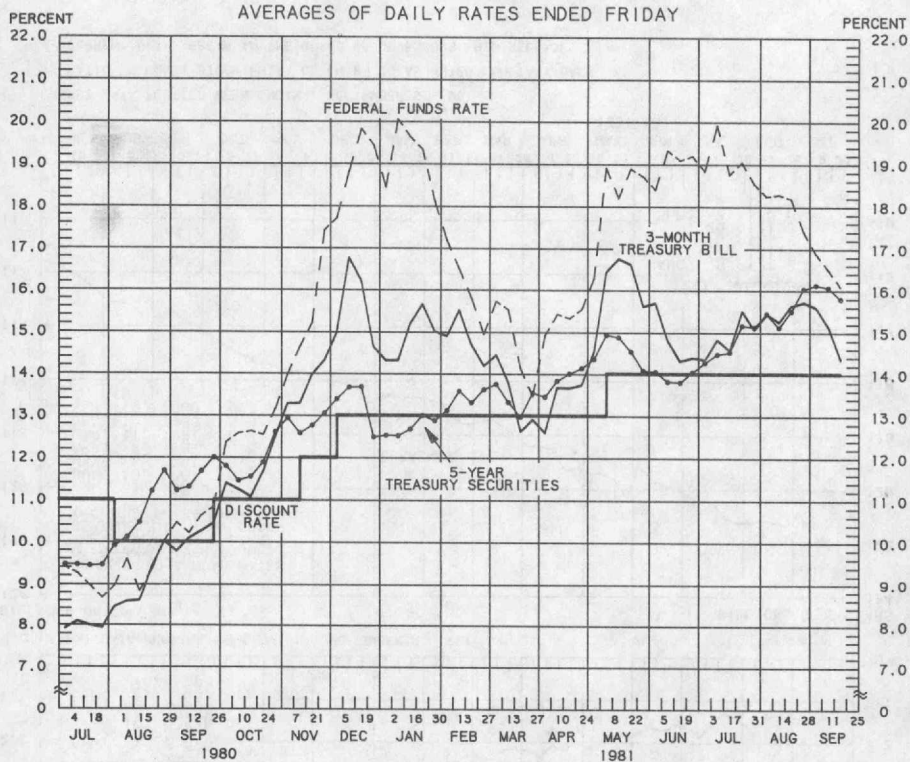
*** DATA ARE 4-MONTH COMMERCIAL PAPER RATES.

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: SEPTEMBER 18, 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
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	14.06
14	18.29	15.25	15.12	14.43	15.13	13.71
21	18.19	15.63	15.64	14.70	15.51	13.89
28	17.41	15.71	15.85	14.99	16.04	14.45
SEP. 4	16.89	15.59	15.85	15.05	16.13	14.64
11	16.50	15.14	15.80	14.80	16.07	14.63
18 *	16.09	14.35	14.66	14.23	15.80	14.33
25						

* 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.

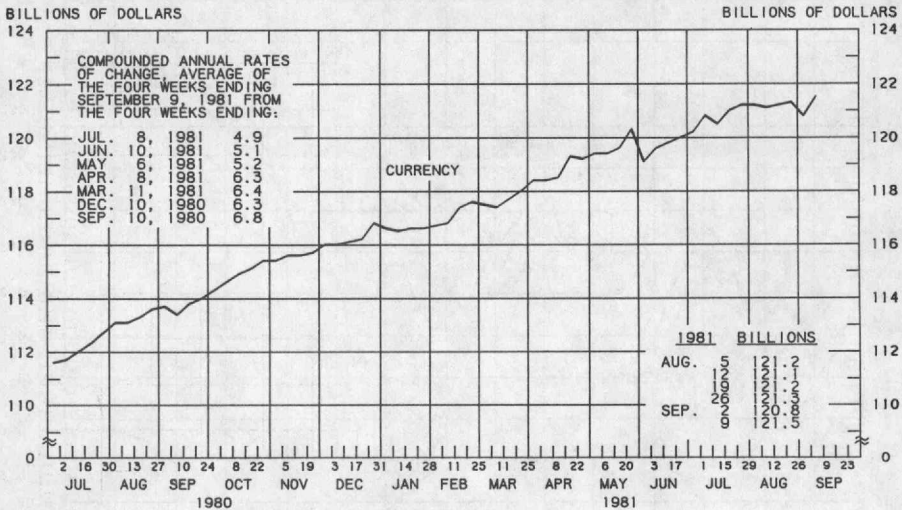
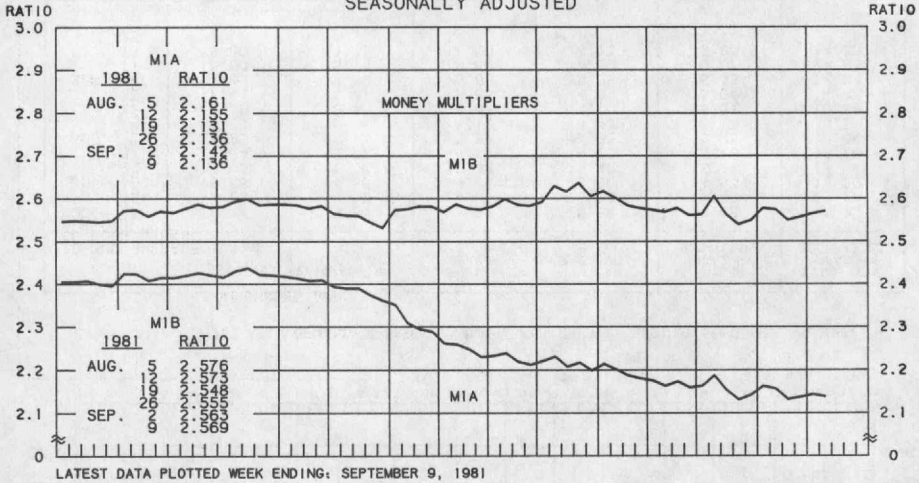
**** NEW ISSUE RATE

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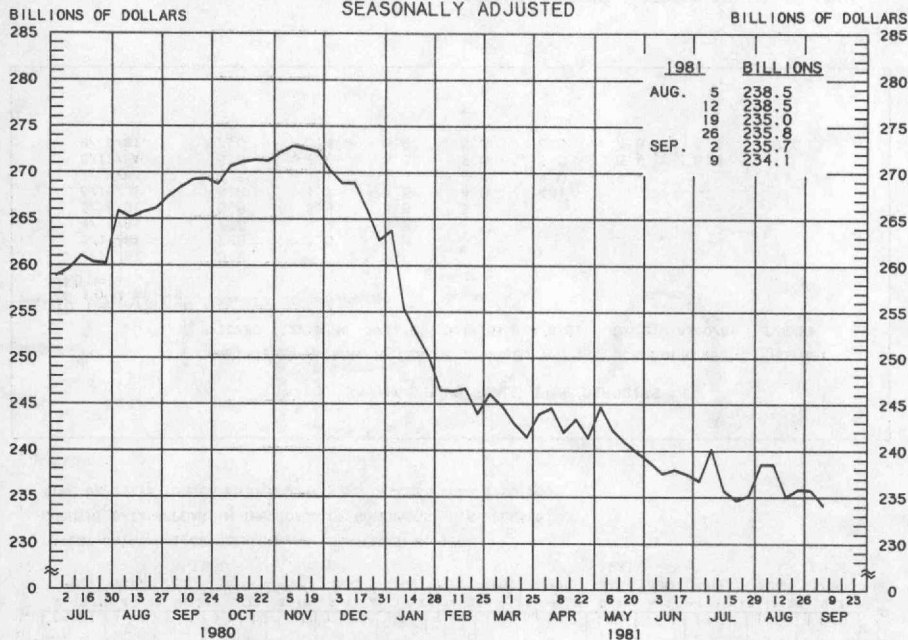
MULTIPLIERS 1/ CURRENCY OF MONEY STOCK MEASURES 2/ AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



1/ RATIO OF MONEY STOCK (M1A) OR (M1B) 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 9, 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:

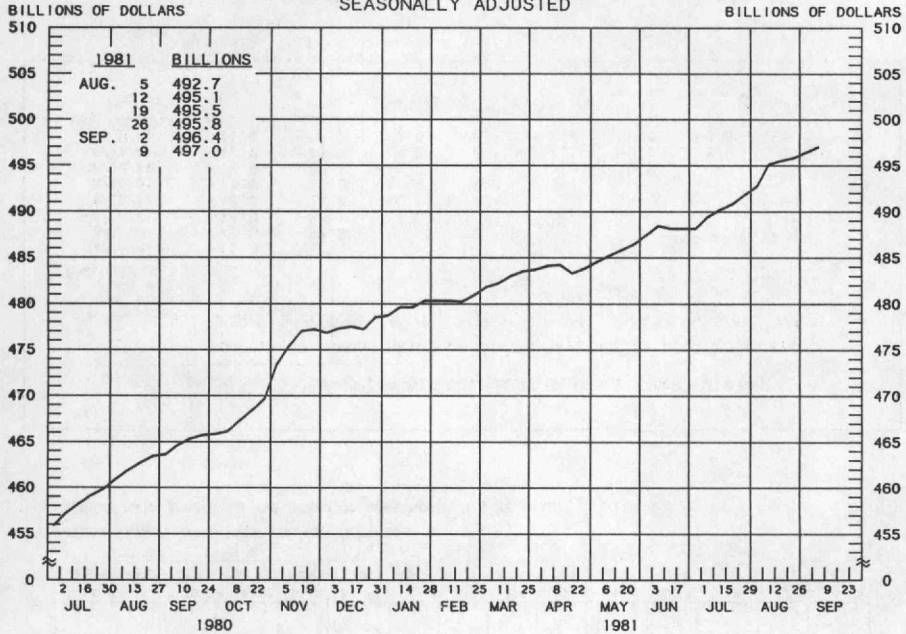
9/10/80 12/10/80 2/11/81 3/11/81 4/8/81 5/6/81 6/10/81 7/8/81

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/11/81	-15.2						
3/11/81	-15.5	-32.8					
4/ 8/81	-14.9	-28.1	-14.0				
5/ 6/81	-13.5	-23.8	-10.2	-6.4			
6/10/81	-13.6	-22.0	-11.4	-9.6	-9.1		
7/ 8/81	-12.9	-20.1	-10.5	-8.8	-8.3	-10.9	
8/12/81	-12.2	-18.2	-9.6	-8.1	-7.5	-9.0	-5.9
9/ 9/81	-11.9	-17.2	-9.3	-8.1	-7.6	-8.8	-6.5
							-6.6

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



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 9, 1981

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

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

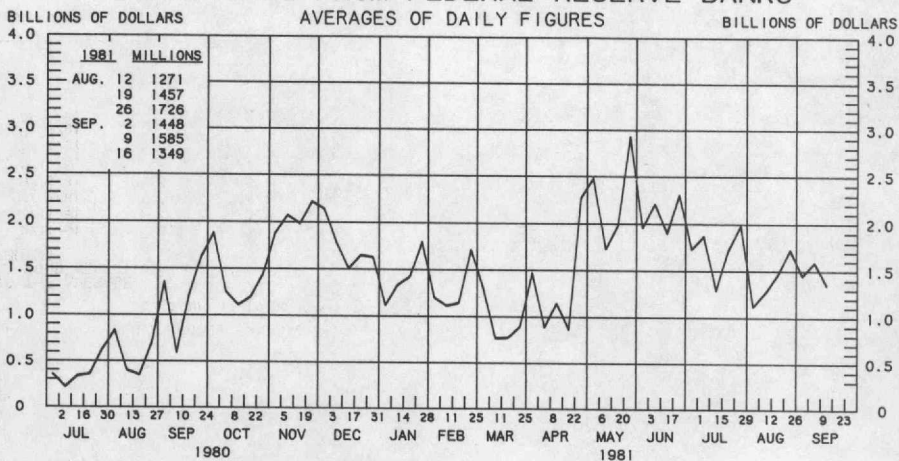
SAVINGS PLUS SMALL TIME DEPOSITS

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	9/10/80	12/10/80	2/11/81	3/11/81	4/8/81	5/6/81	6/10/81	7/8/81
2/11/81	8.6							
3/11/81	7.8	3.6						
4/8/81	7.6	4.2	4.8					
5/6/81	6.8	3.6	3.6	3.7				
6/10/81	6.8	4.2	4.5	4.8	4.1			
7/8/81	6.5	4.1	4.3	4.6	4.0	5.4		
8/12/81	6.8	4.9	5.3	5.6	5.5	6.8	6.8	
9/9/81	7.0	5.4	5.9	6.3	6.3	7.5	7.8	9.6

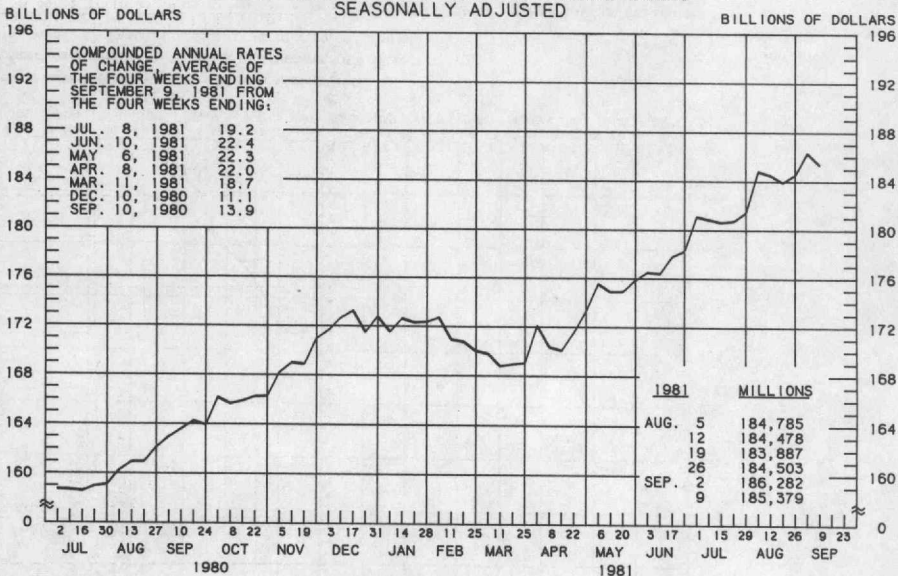
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 16, 1981

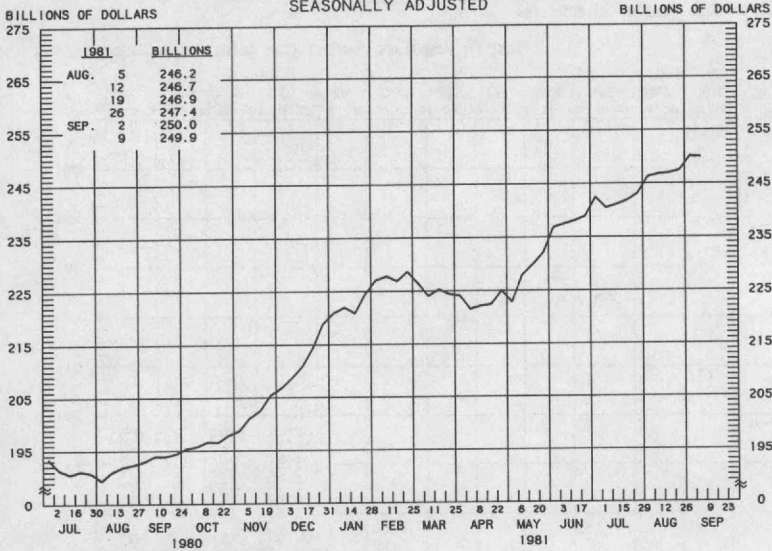
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 9, 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: SEPTEMBER 9, 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