



S. FINANCIAL DATA

Week ending: September 30, 1981

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OCT 2 1981

The adjusted monetary base does not reveal the drastic turn in policy action in the last three months that some have suggested. Many observers of the recent rapid decline in the federal funds rate have interpreted this as a significant easing in monetary policy. The Federal Reserve, however, long ago announced a policy of targeting on reserve growth and allowing the federal funds rate to fluctuate within relatively wide bands. In this environment, an easing in policy would be associated with an increase in reserve or base growth, not necessarily with a falling federal funds rate.

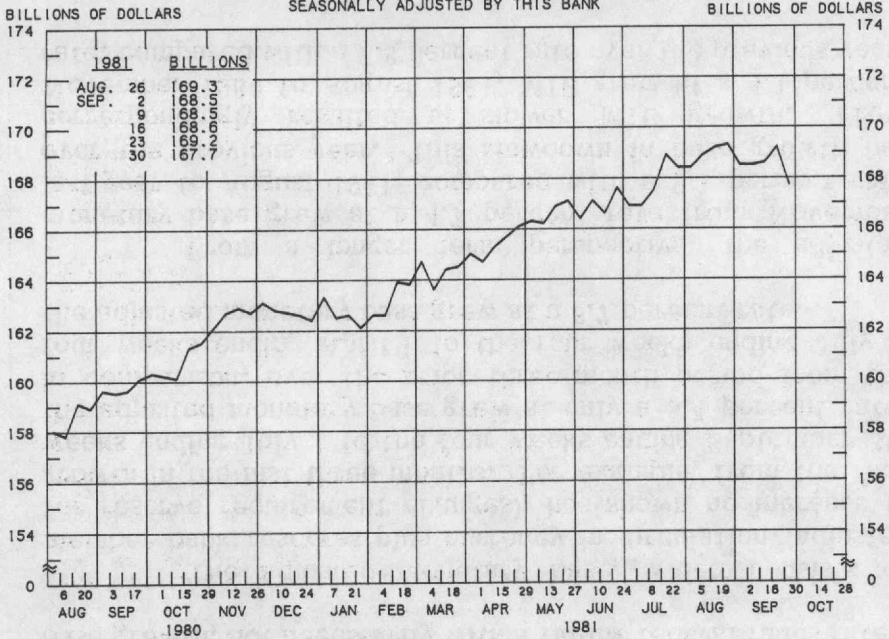
The adjusted monetary base, which consists of member bank reserves plus currency in circulation (adjusted for reserve requirement changes), has shown no increase in growth in the last three months. For example, from the four weeks ending July 1 to the four weeks ending September 30, the adjusted monetary base grew at only a 3.4 percent rate. In comparison, over the prior three-month period from the four weeks ending April 1 to the four weeks ending July 1, the adjusted monetary base grew at a 6.7 percent rate.

From a longer term perspective, the adjusted monetary base grew at a 4.7 percent rate from November last year to August 1981, compared with a 9.1 percent rate over the previous year. This slowdown in base growth has correspondingly resulted in slower M1B growth. From November 1980 to August 1981, M1B grew at a 4.1 percent rate, compared with a 7.8 percent rate over the previous year.

Prepared by Federal Reserve Bank of St. Louis

Released: October 2, 1981

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 30, 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.

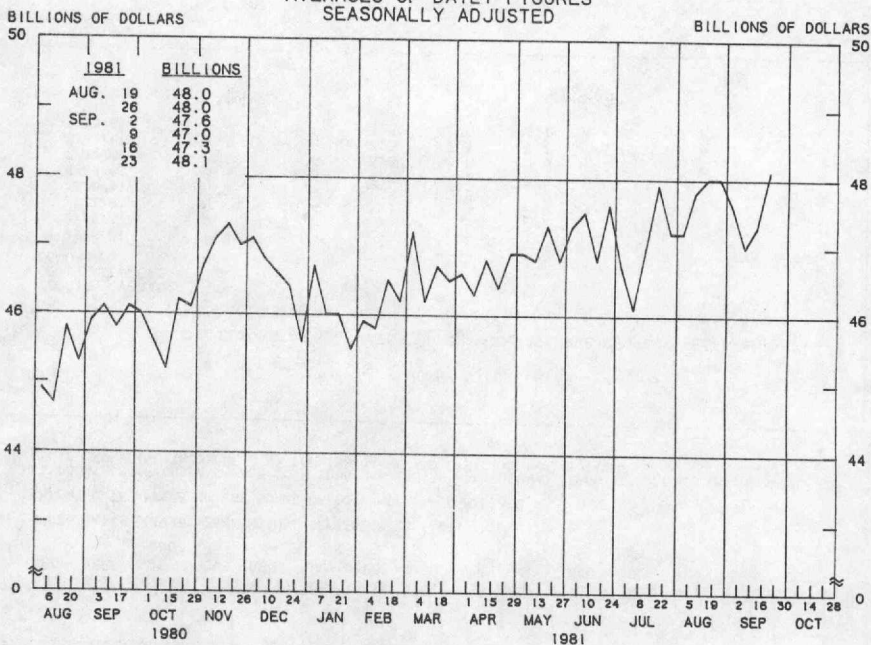
ADJUSTED MONETARY BASE

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

	10/1/80	12/31/80	3/4/81	4/1/81	4/29/81	5/27/81	7/1/81	7/29/81
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/ 4/81	5.9							
4/ 1/81	5.7	4.5						
4/29/81	6.1	5.6	6.9					
5/27/81	6.5	6.2	7.6	9.0				
7/ 1/81	6.0	5.6	6.3	6.7	5.7			
7/29/81	6.1	5.7	6.3	6.7	5.9	4.6		
9/ 2/81	6.2	5.9	6.4	6.7	6.2	5.5	6.8	
9/30/81	5.4	4.9	5.0	5.1	4.3	3.3	3.4	2.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 23, 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

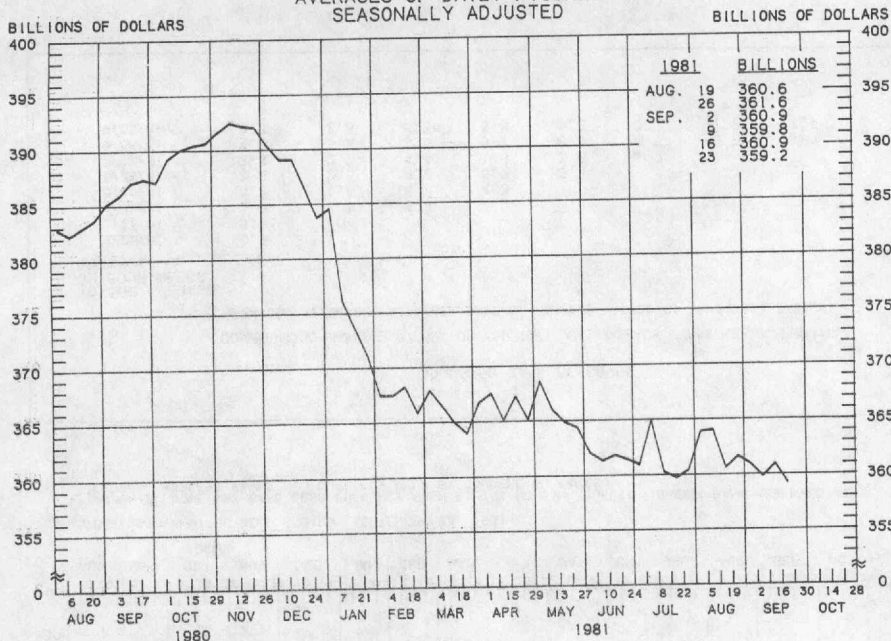
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	9/24/80	12/24/80	2/25/81	3/25/81	4/22/81	5/20/81	6/24/81	7/22/81
2/25/81			0.5					
3/25/81			3.1					
4/22/81			1.9	-0-				
5/20/81			3.3	1.6	5.8			
6/24/81			3.8	2.6	8.7	4.3		
7/22/81			2.4	0.7	8.2	5.2	10.4	
8/26/81			4.2	3.5	5.7	1.3	3.5	-1.2
9/23/81			3.3	2.3	5.3	5.7	6.5	6.3
						5.2	3.1	1.7
								7.6

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1A) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 23, 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:

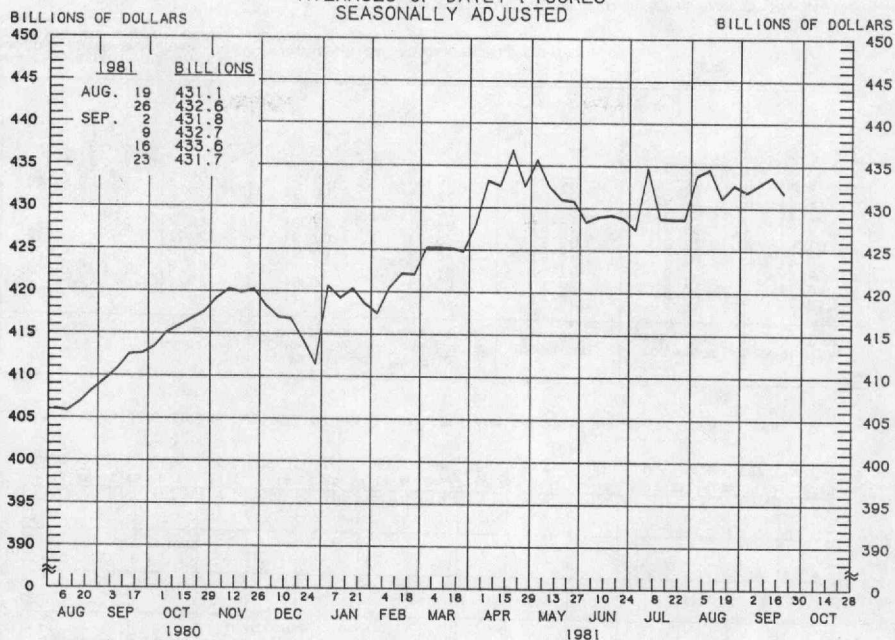
9/24/80 12/24/80 2/25/81 3/25/81 4/22/81 5/20/81 6/24/81 7/22/81

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/25/81	-11.3							
3/25/81	-10.3	-21.6						
4/22/81	-8.7	-16.4	-1.1					
5/20/81	-7.9	-13.8	-1.3	0.5				
6/24/81	-8.4	-13.5	-4.6	-4.5	-7.6			
7/22/81	-7.7	-11.9	-3.9	-3.6	-5.6	-7.2		
8/26/81	-6.7	-9.8	-2.5	-2.1	-3.2	-3.6	1.4	
9/23/81	-6.8	-9.7	-3.3	-3.0	-4.1	-4.6	-1.5	-1.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1B) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 23, 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:

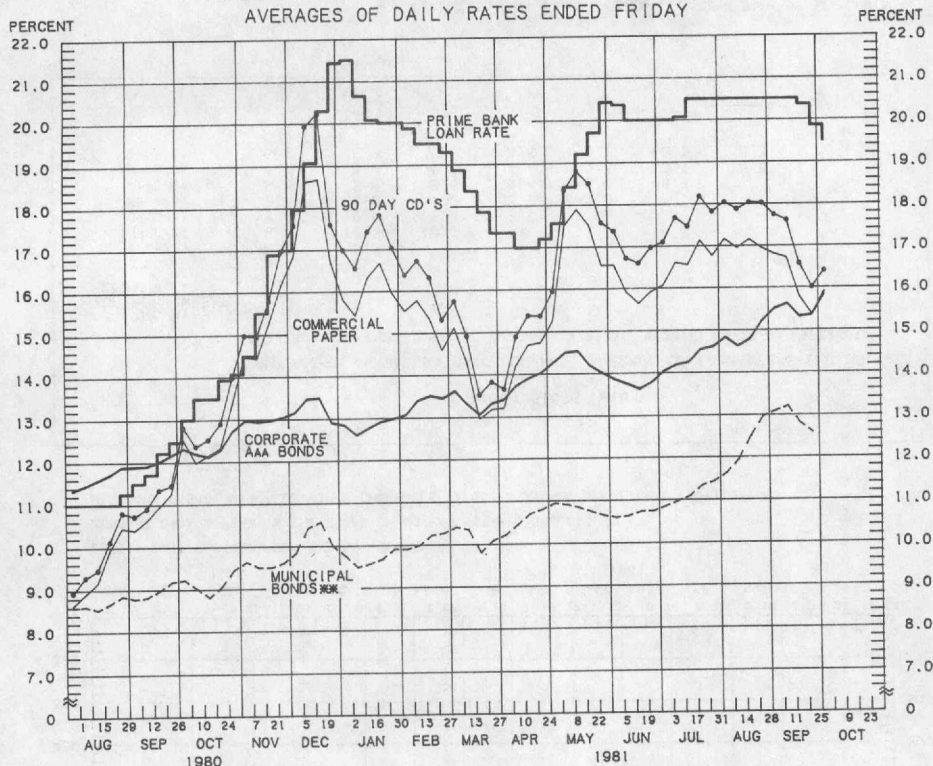
9/24/80 12/24/80 2/25/81 3/25/81 4/22/81 5/20/81 6/24/81 7/22/81

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/25/81	5.4							
3/25/81	6.8	8.5						
4/22/81	9.1	12.3	20.2					
5/20/81	8.1	10.0	13.4	12.5				
6/24/81	5.7	6.0	6.2	3.5	-5.0			
7/22/81	5.5	5.6	5.6	3.4	-2.6	-4.1		
8/26/81	5.7	5.9	6.0	4.4	0.3	0.1	5.8	
9/23/81	5.2	5.2	5.0	3.5	-0.1	-0.3	3.5	3.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

YIELDS ON SELECTED SECURITIES AVERAGES OF DAILY RATES ENDED FRIDAY



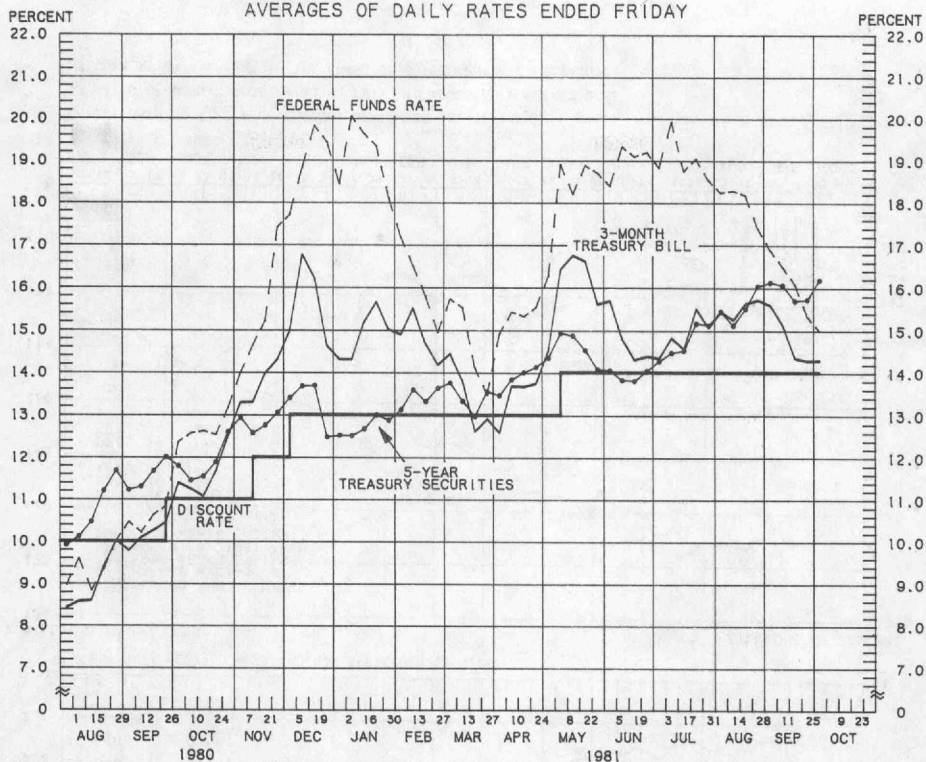
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: OCTOBER 2, 1981

1981	90 DAY CD'S	PRIME COMMERCIAL PAPER <small>WEEK</small>	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS <small>WEEK</small>
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	16.96	13.21
18	16.57	15.78	15.89	15.30	16.88	12.79
25	16.01	15.36	15.44	15.35	16.87	12.57
OCT. 2 *	16.40	15.82	15.80	15.88	17.20	N.A.
9						
16						
23						
30						

* AVERAGES OF RATES AVAILABLE.
WEEK BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.
WEEK 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: OCTOBER 2, 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
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	15.65	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	14.21	15.70	14.29
25	15.33	14.29	14.13	14.16	15.73	14.49
OCT. 2 *	15.00	14.30	14.93	14.58	16.19	15.11
9						
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.

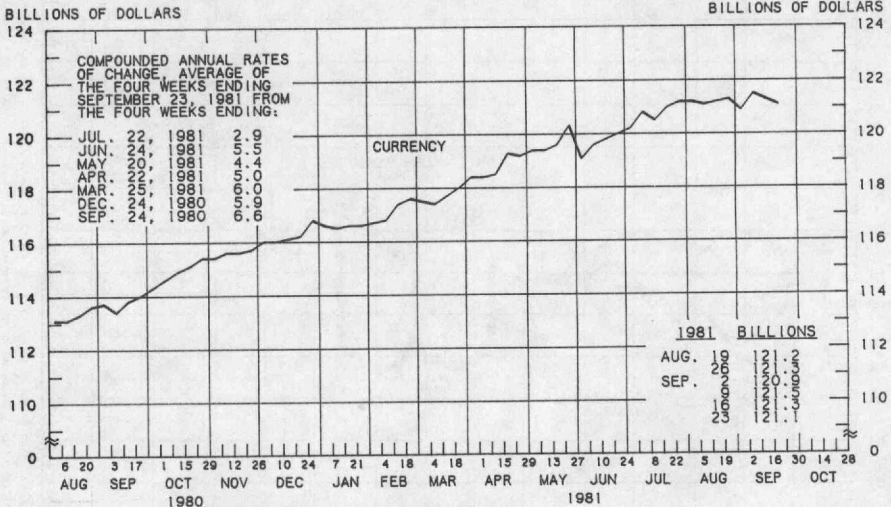
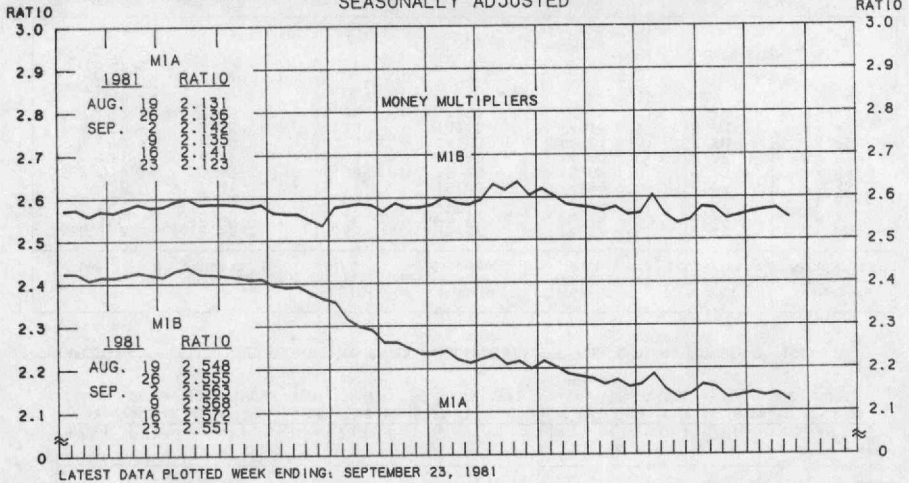
* NEW ISSUE RATE

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



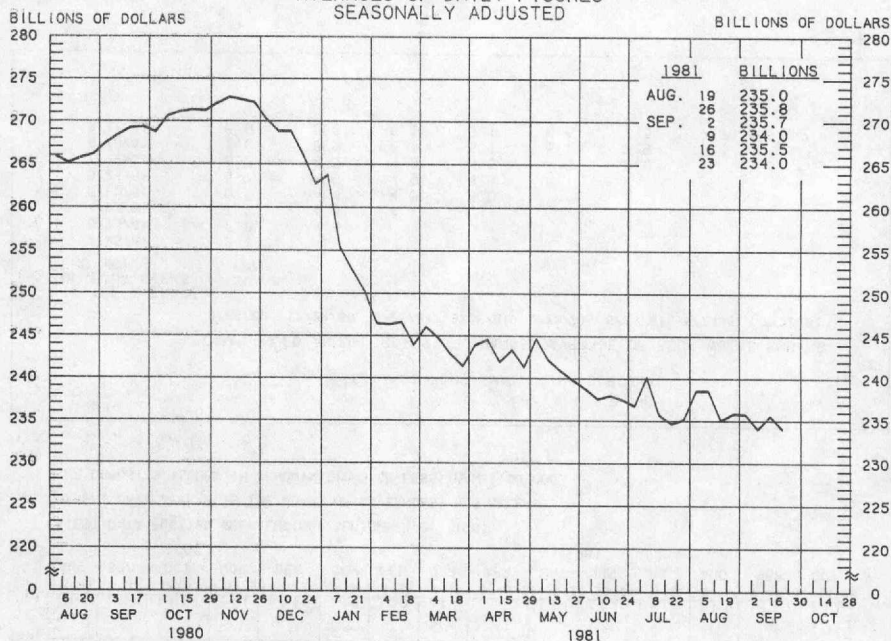
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 23, 1981

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: SEPTEMBER 23, 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:

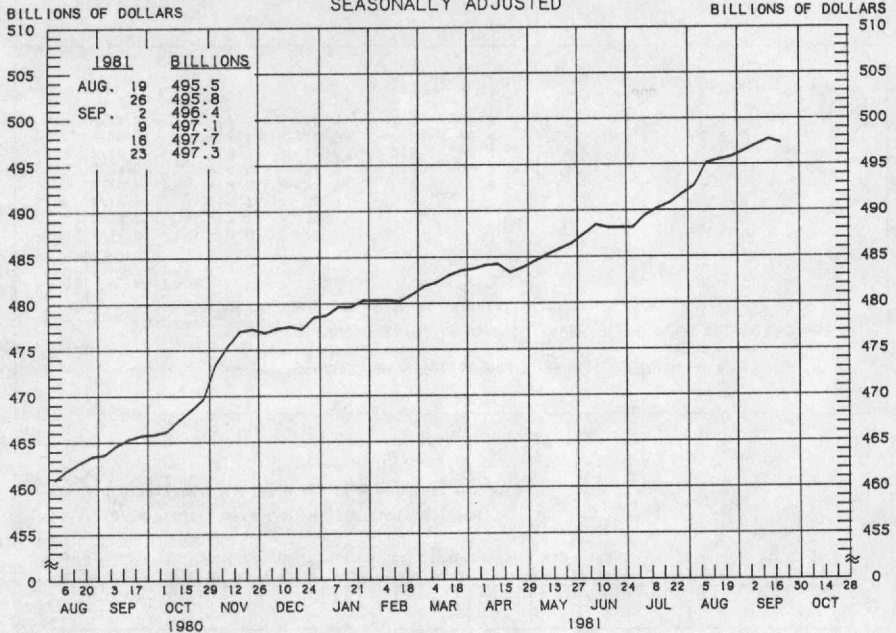
9/24/80 12/24/80 2/25/81 3/25/81 4/22/81 5/20/81 6/24/81 7/22/81

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/25/81	-18.9						
3/25/81	-17.7	-32.1					
4/22/81	-15.7	-25.9	-6.2				
5/20/81	-14.6	-22.5	-6.2	-3.9			
6/24/81	-14.9	-21.5	-9.5	-9.2	-12.4		
7/22/81	-14.1	-19.6	-8.8	-8.4	-10.4	-12.2	
8/26/81	-12.7	-16.9	-7.0	-6.4	-7.4	-7.7	-2.2
9/23/81	-12.6	-16.4	-7.6	-7.2	-8.2	-8.6	-5.1
							-4.8

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: SEPTEMBER 23, 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:

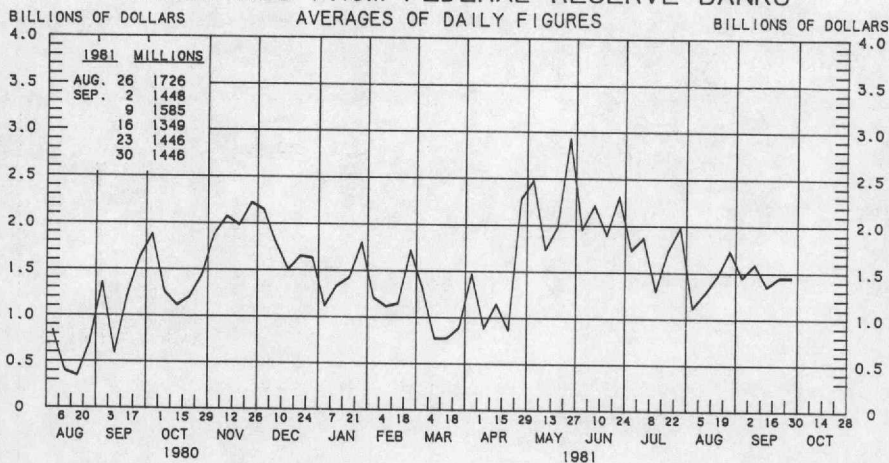
9/24/80 12/24/80 2/25/81 3/25/81 4/22/81 5/20/81 6/24/81 7/22/81

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

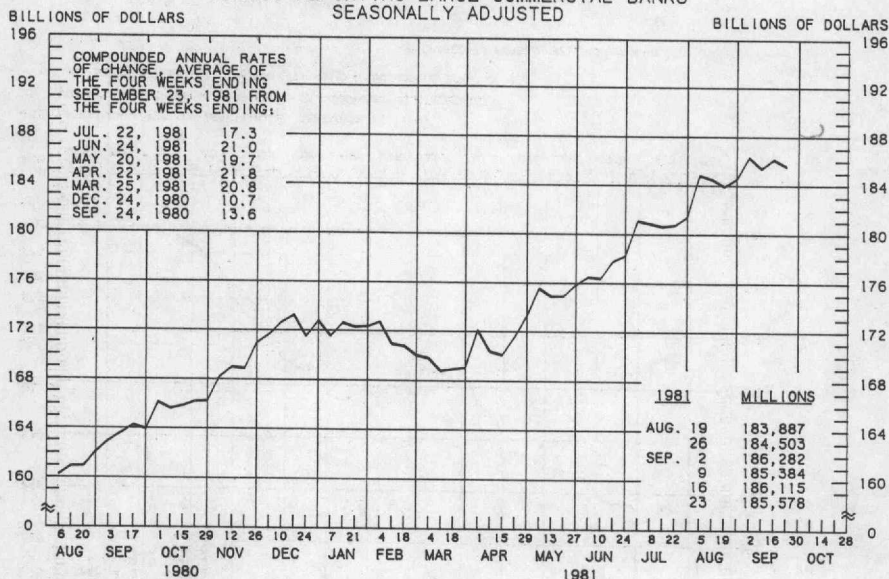
2/25/81	8.1								
3/25/81	7.8	4.6							
4/22/81	7.2	4.3	4.7						
5/20/81	6.7	4.0	4.0	3.0					
6/24/81	6.7	4.6	4.9	4.6	5.1				
7/22/81	6.5	4.5	4.8	4.5	4.9	5.9			
8/26/81	7.0	5.5	6.1	6.1	6.7	7.9	8.3		
9/23/81	6.9	5.6	6.1	6.1	6.6	7.5	7.7	9.2	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS

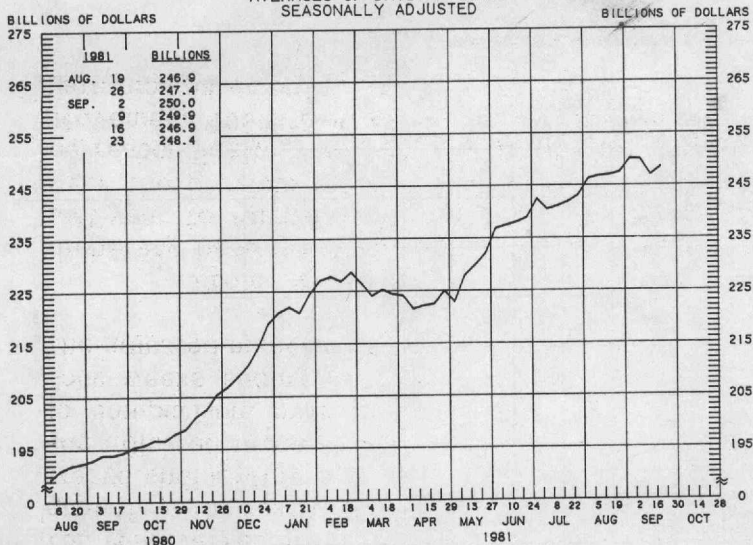


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



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: SEPTEMBER 23, 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