



Week ending: October 7, 1981

Over longer periods of time the growth of the adjusted monetary base dominates the growth of money (M1B). For example, over the last 9 months monetary base and M1B have both grown at about a 5 percent rate. However, during shorter periods of stable base growth, fluctuations in currency growth will be associated with fluctuations in bank reserve growth. These short-run fluctuations in reserve growth will in turn lead to short-run fluctuations in the growth of bank deposits.

For example, the adjusted monetary base and the adjusted bank reserve series published in this release recently have shown somewhat dissimilar growth rates. From the four weeks ending July 22 to the four weeks ending September 23, the adjusted monetary base increased at a 3.9 percent rate, while adjusted bank reserves increased at a 7.6 percent rate. The latter increase represents a sharp turnaround in reserve growth, whereas the cited base growth is similar to that observed over the prior two-month period.

This discrepancy is associated with the fact that the growth of currency has slowed markedly in the last two months. Over the recent period from the four weeks ending July 22 to the four weeks ending September 23, currency held by the nonbank public increased at a 2.9 percent rate. In contrast, from the four weeks ending May 20 to the four weeks ending July 22, currency holdings increased at a 5.9 percent rate. Since the recent slowdown in currency growth has not coincided with a slowdown in adjusted monetary base growth, reserve growth has accelerated.

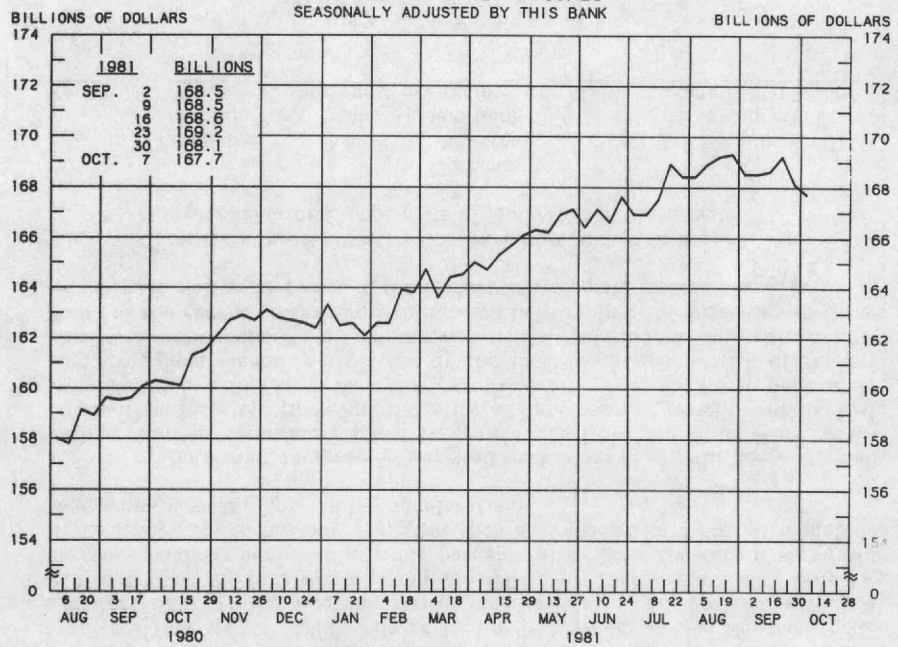
The recent increase in adjusted bank reserve growth has coincided with a similar turnaround in M1B growth resulting from an increase in transaction deposits. However, the adjusted bank reserve growth over the last two months is still faster than the growth of M1B over the same period. In part, this phenomenon is explained by the increase in the growth of savings plus small time deposits at commercial banks, detailed in the table below. Some of the recent reserve growth is being held against the increases in these deposits, as well as increases in the transaction deposits included in M1B.

Growth Rates of Adjusted Monetary Base and Bank Reserves
and Selected Components of Money Stock Measures

Period	Adjusted monetary base	Adjusted bank reserves	Currency held by non-bank public	M1B	Savings plus small time deposits at commercial banks
5/20/81- 7/22/81	4.2 %	-1.2 %	5.9 %	-4.1 %	5.9 %
7/22/81- 9/23/81	3.9	7.6	2.9	3.7	9.2

Prepared by Federal Reserve Bank of St. Louis
Released: October 9, 1981

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 7, 1981

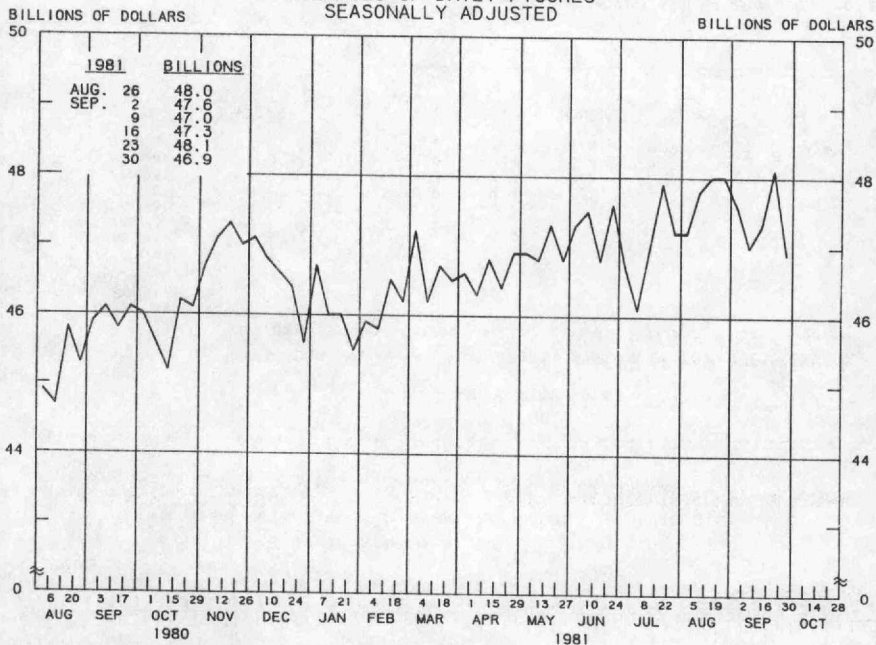
THE ADJUSTED MONETARY BASE CONSISTS OF: (1) MEMBER BANK RESERVES AT THE FEDERAL RESERVE BANKS, (2) CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), AND (3) AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED MONETARY BASE IS 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:									
	10/8/80	1/7/81	3/4/81	4/8/81	5/6/81	6/10/81	7/8/81	8/5/81	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
3/ 4/81	5.8								
4/ 8/81	5.8	4.8							
5/ 6/81	6.4	5.9	7.6						
6/10/81	6.4	6.1	7.2	8.0					
7/ 8/81	5.8	5.2	5.7	5.7	3.9				
8/ 5/81	6.2	5.9	6.6	6.8	5.9	5.6			
9/ 9/81	6.0	5.6	6.1	6.1	5.3	4.9	6.8		
10/ 7/81	5.2	4.6	4.8	4.5	3.6	2.8	3.4	0.3	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED BANK RESERVES ^{1/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



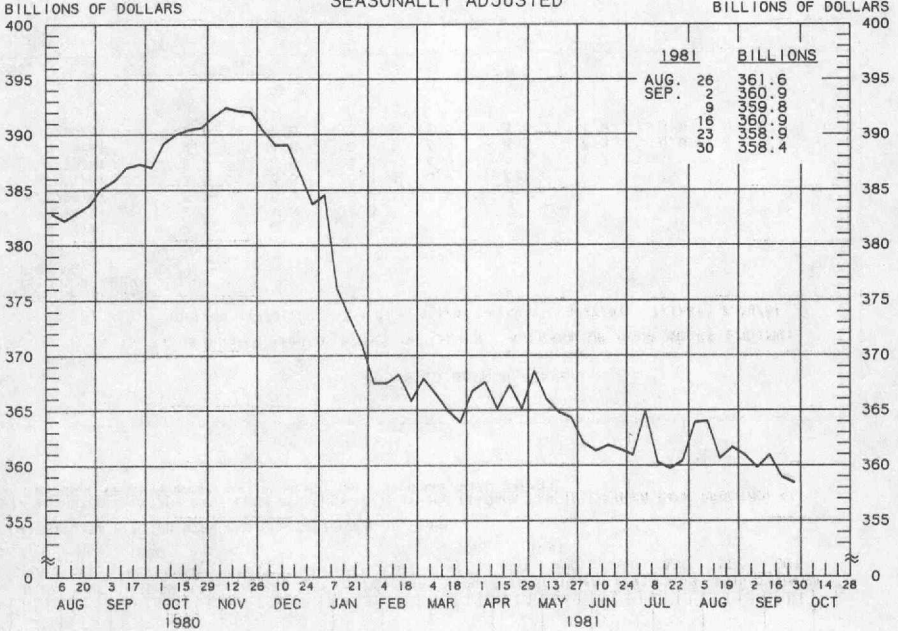
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 30, 1981

^{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:								
	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	2.1							
4/ 1/81	2.2	0.9						
4/29/81	2.3	1.3	2.8					
5/27/81	3.3	3.2	5.7	7.2				
7/ 1/81	3.5	3.5	5.4	6.2	7.7			
7/29/81	2.9	2.6	3.8	4.0	4.4	1.2		
9/ 2/81	4.5	4.8	6.6	7.3	8.3	7.3	8.9	
9/30/81	2.8	2.6	3.4	3.5	3.6	1.9	0.9	2.5

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MONEY STOCK (M1A)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 30, 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)

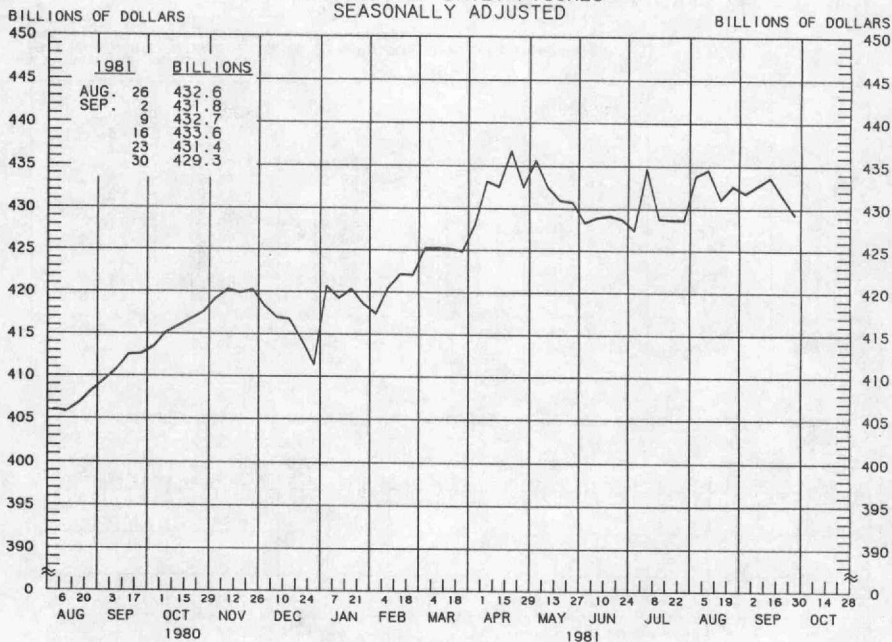
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	10/1/80	12/31/80	3/4/81	4/1/81	4/29/81	5/27/81	7/1/81	7/29/81
3/ 4/81	-11.5							
4/ 1/81	-10.7	-20.4						
4/29/81	-9.1	-15.5	-1.9					
5/27/81	-8.1	-13.0	-1.6	0.7				
7/ 1/81	-8.7	-12.8	-4.8	-4.4	-7.3			
7/29/81	-7.9	-11.2	-4.0	-3.5	-5.2	-7.0		
9/ 2/81	-7.0	-9.5	-3.0	-2.4	-3.4	-4.1	0.6	
9/30/81	-7.1	-9.4	-3.7	-3.3	-4.3	-5.0	-2.1	-2.8

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (MIB)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 30, 1981

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

MIB CONSISTS OF M1A PLUS OTHER CHECKABLE DEPOSITS AT ALL DEPOSITARY INSTITUTIONS.

MONEY STOCK (MIB)

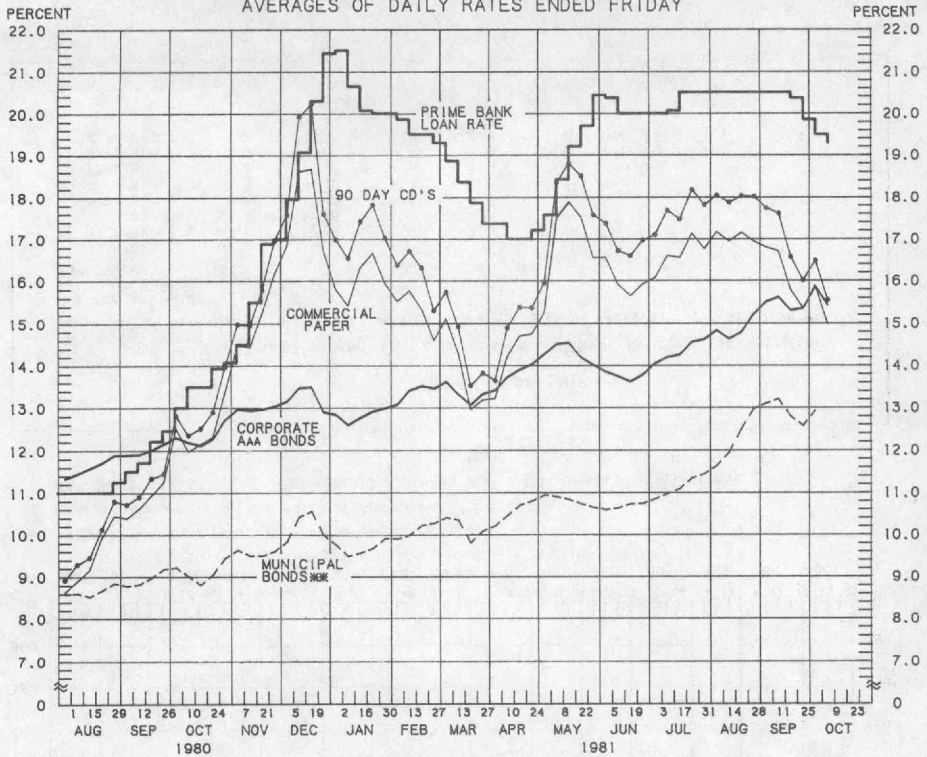
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE OF FOUR WEEKS ENDING:	10/1/80	12/31/80	3/4/81	4/11/81	4/29/81	5/27/81	7/1/81	7/29/81
3/ 4/81	5.9							
4/ 1/81	6.7	11.0						
4/29/81	9.2	14.6	18.5					
5/27/81	7.6	10.8	10.6	10.5				
7/ 1/81	5.3	6.7	4.4	2.6	-6.7			
7/29/81	5.2	6.5	4.5	3.1	-3.3	-3.0		
9/ 2/81	5.3	6.4	4.8	3.8	-0.8	0.1	5.5	
9/30/81	4.7	5.5	3.8	2.8	-1.0	-0.4	3.1	2.3

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



1981	90 DAY CD'S	PRIME COMMERCIAL PAPER	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS
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	12.48
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	16.48	15.89	15.83	15.85	17.25	12.93
9 *	15.55	14.98	14.98	15.43	17.11	N.A.
16						
23						
30						

* AVERAGES OF RATES AVAILABLE.

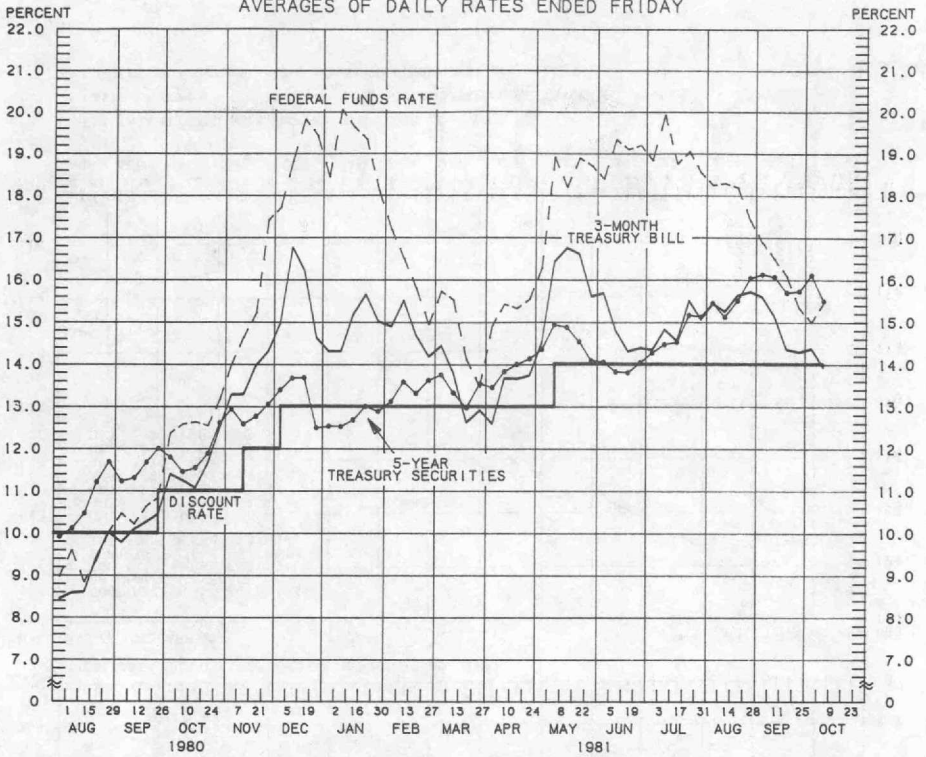
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

*** 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: OCTOBER 9, 1981

1981	FEDERAL FUNDS **	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	14.37	14.93	14.54	16.11	15.05
9 *	15.46	13.93	14.22	13.80	15.50	14.47
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.

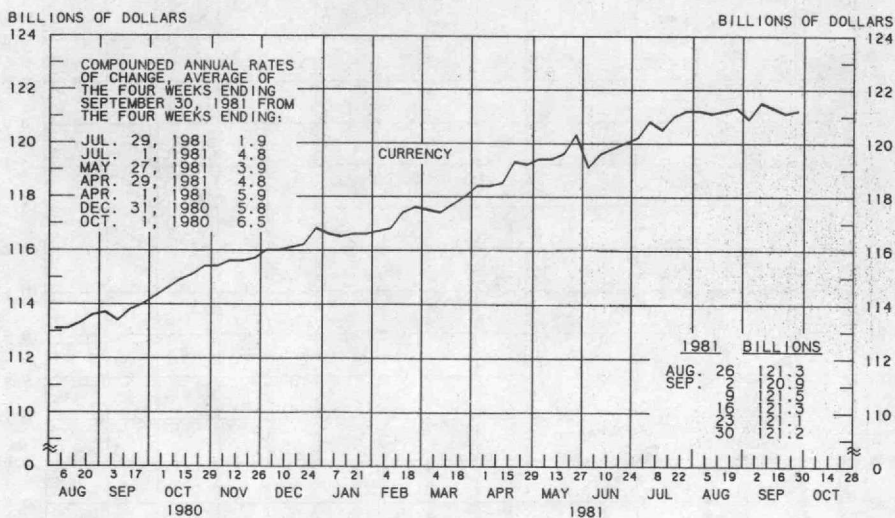
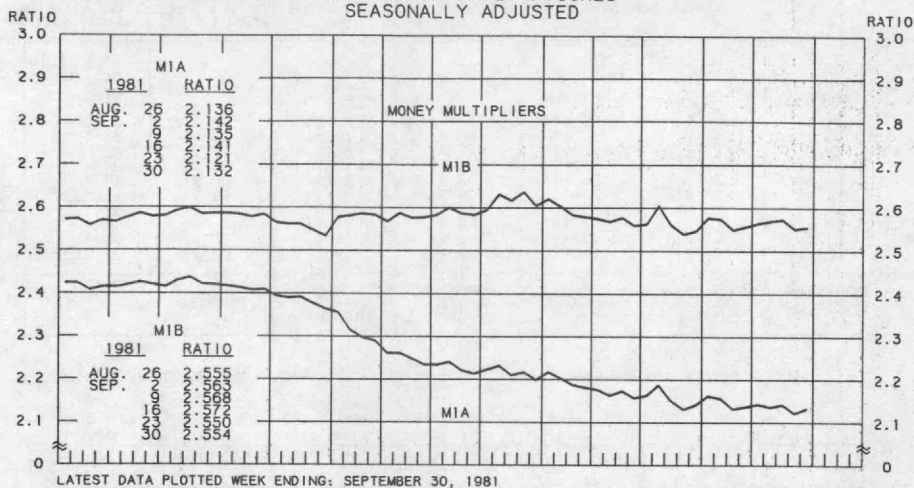
**** NEW ISSUE RATE

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



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 30, 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:

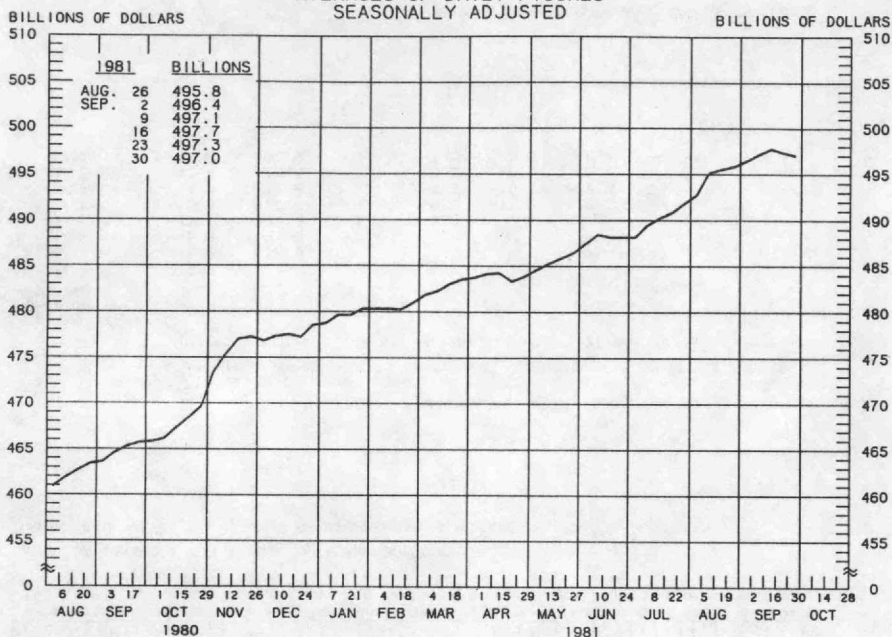
10/1/80 12/31/80 3/4/81 4/1/81 4/29/81 5/27/81 7/1/81 7/29/81

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/ 4/81	-19.2							
4/ 1/81	-18.2	-30.8						
4/29/81	-16.2	-24.9	-7.4					
5/27/81	-15.0	-21.5	-6.7	-3.7				
7/ 1/81	-15.3	-20.7	-10.0	-9.2	-12.2			
7/29/81	-14.4	-18.8	-9.1	-8.3	-10.1	-12.2		
9/ 2/81	-13.1	-16.4	-7.5	-6.6	-7.5	-8.2	-2.6	
9/30/81	-12.9	-15.9	-8.0	-7.3	-8.2	-8.8	-5.3	-5.3

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



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 30, 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:

10/1/80 12/31/80 3/4/81 4/1/81 4/29/81 5/27/81 7/1/81 7/29/81

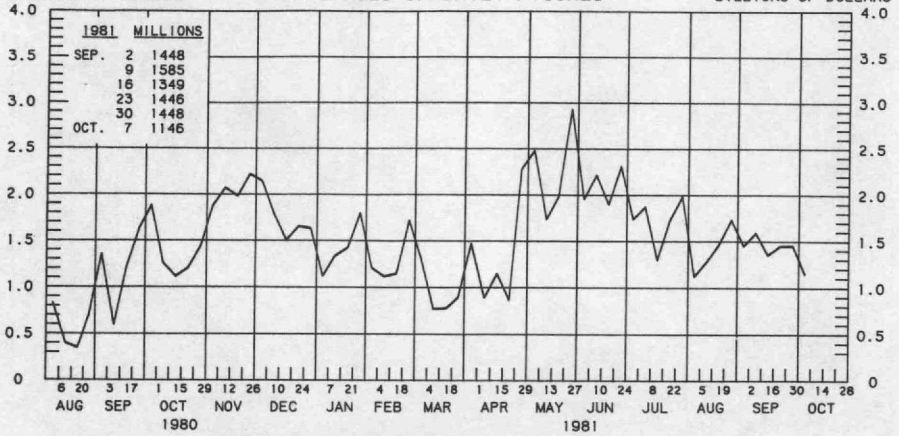
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/ 4/81	8.0							
4/ 1/81	7.8	4.7						
4/29/81	7.0	4.1	4.3					
5/27/81	6.7	4.1	4.3	3.3				
7/ 1/81	6.6	4.5	4.8	4.3	5.2			
7/29/81	6.6	4.8	5.1	4.8	5.7	6.2		
9/ 2/81	7.1	5.7	6.3	6.3	7.2	8.0	9.2	
9/30/81	6.9	5.5	6.0	6.0	6.7	7.2	7.7	8.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS

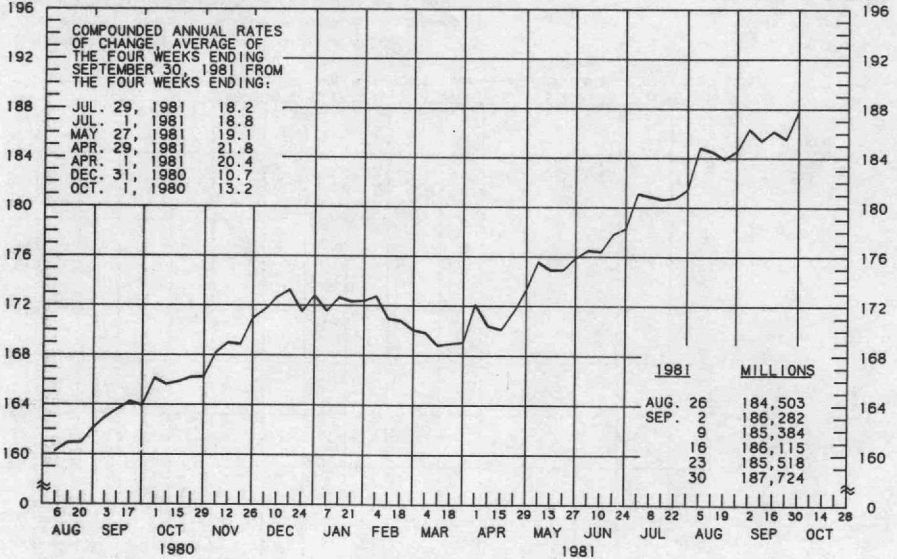
BILLIONS OF DOLLARS AVERAGES OF DAILY FIGURES BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 7, 1981

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

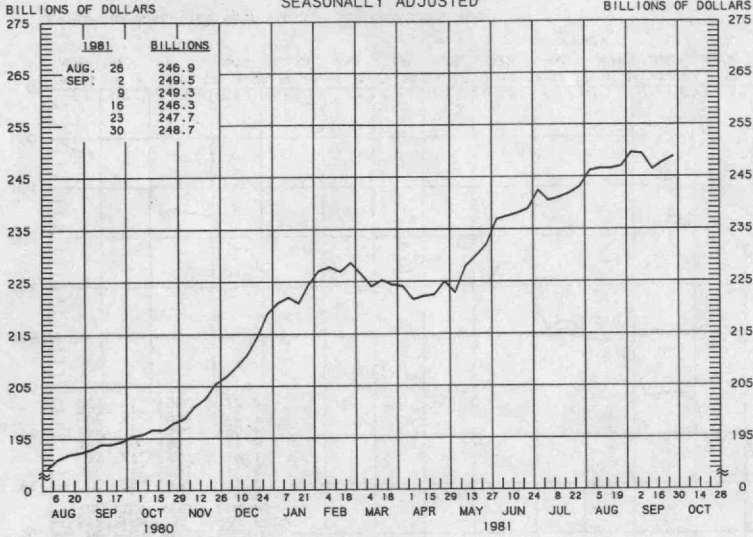
BILLIONS OF DOLLARS BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 30, 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 30, 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