



Week ending: August 11, 1982

The recent sharp decline in market interest rates has been accompanied by a considerable narrowing of the spread between the federal funds rate and the discount rate. The federal funds rate averaged 5 basis points above the discount rate during the four weeks ending August 11, down substantially from a spread of over 200 basis points during the previous four weeks. This decline has been accompanied by a decline in borrowings from the Federal Reserve to about \$550 million during the more recent four-week period, compared with over \$1 billion during the previous four weeks.

The average level of adjustment borrowings during the past four weeks is comparable with the average level of adjustment borrowings during the last seven weeks of 1981, when the average spread between the federal funds rate and the discount rate was about the same. The other components of borrowings, however, were substantially different during the two periods. During the most recent period, seasonal borrowings were much higher and extended credit borrowings much lower than in the earlier period. Extended credit borrowings, which are made to depository institutions facing temporary liquidity problems, have longer terms than adjustment borrowings. As a result, they are thought to be less sensitive to changes in the rate spread. The fact that substantially different levels of extended credit borrowings have occurred during periods when the average rate spread was the same tends to support this contention. Since seasonal borrowings have varied substantially over periods of similar average rate spreads, they may be somewhat less sensitive to changes in the rate spread as well.

Average Borrowings from Federal Reserve Banks^{1/}
by Categories and the Rate Spread
(amounts in millions of dollars)

<u>Period</u>	<u>Seasonal borrowings</u>	<u>Extended credit</u>	<u>Adjustment borrowings^{2/}</u>	<u>Rate spread^{3/}</u>
11/18/81- 12/30/81	\$ 63	\$138	\$333	19
6/23/82- 7/14/82	251	87	727	216
7/21/82- 8/11/82	182	35	331	5

1/ Averages of daily figures for the weeks ending on the date shown.
2/ Total borrowings less extended credit and seasonal borrowings.
3/ Basis point spread between the federal funds rate and the discount rate.

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



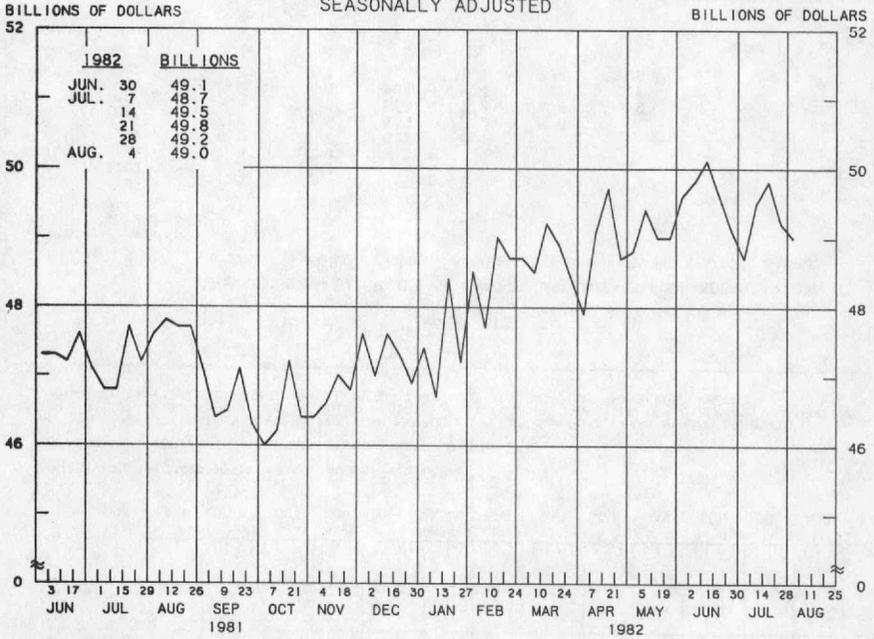
LATEST DATA PLOTTED WEEK ENDING: AUGUST 11, 1982

THE ADJUSTED MONETARY BASE CONSISTS OF: (1) RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, (2) CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS), 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:									
	8/12/81	11/11/81	1/13/82	2/10/82	3/10/82	4/14/82	5/12/82	6/9/82	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
1/13/82	3.5								
2/10/82	4.8	10.1							
3/10/82	5.4	10.0	10.7						
4/14/82	5.4	8.9	8.7	7.3					
5/12/82	6.1	9.4	9.4	8.6	8.3				
6/ 9/82	6.6	9.7	9.8	9.3	9.3	11.7			
7/14/82	6.2	8.7	8.5	7.9	7.5	8.3	6.8		
8/11/82	6.2	8.4	8.2	7.6	7.2	7.7	6.5	4.3	

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ADJUSTED RESERVES
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



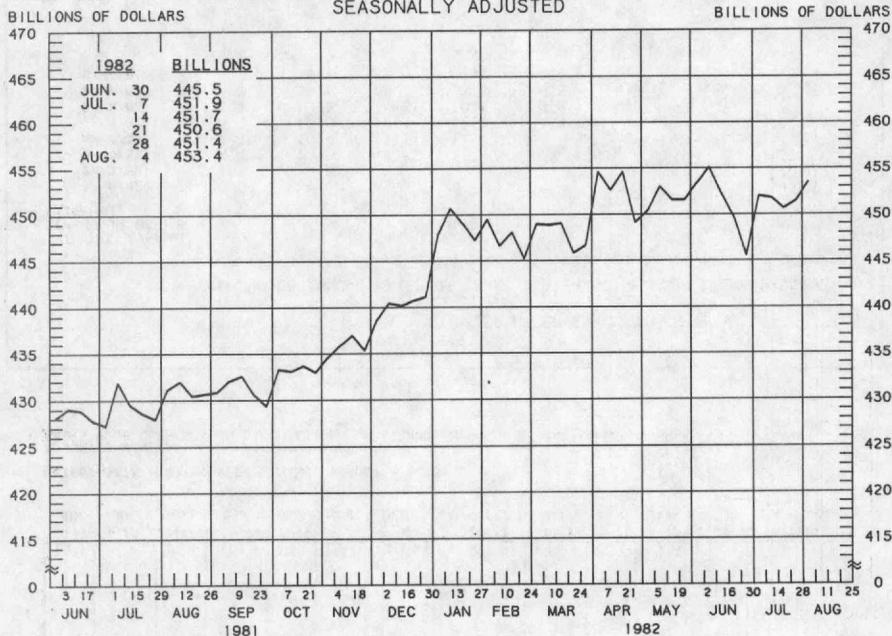
LATEST DATA PLOTTED WEEK ENDING: AUGUST 4, 1982

ADJUSTED MONETARY BASE (RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS PLUS CURRENCY IN CIRCULATION) LESS CURRENCY HELD BY THE NONBANK PUBLIC.

ADJUSTED RESERVES									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
TO THE AVERAGE OF FOUR WEEKS ENDING:	8/5/81	11/4/81	1/6/82	2/3/82	3/3/82	4/7/82	5/5/82	6/2/82	
1/ 6/82	0.0								
2/ 3/82	1.7	9.8							
3/ 3/82	4.4	13.0	17.7						
4/ 7/82	4.1	10.4	11.5	11.4					
5/ 5/82	5.1	11.0	12.1	12.3	7.4				
6/ 2/82	5.1	10.3	10.8	10.6	6.8	9.7			
7/ 7/82	4.8	9.1	9.1	8.6	5.5	6.7	3.6		
8/ 4/82	4.4	8.1	7.8	7.3	4.4	5.1	2.5	1.2	

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MONEY STOCK (M1) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 4, 1982

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

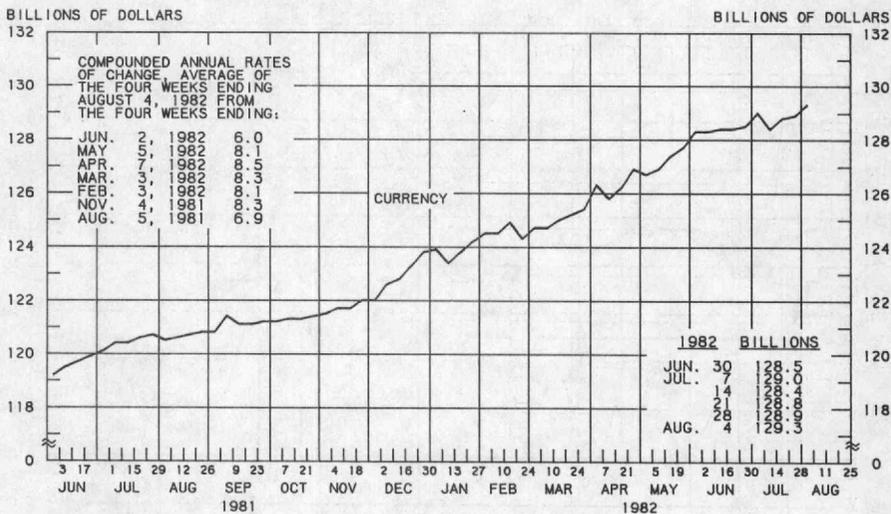
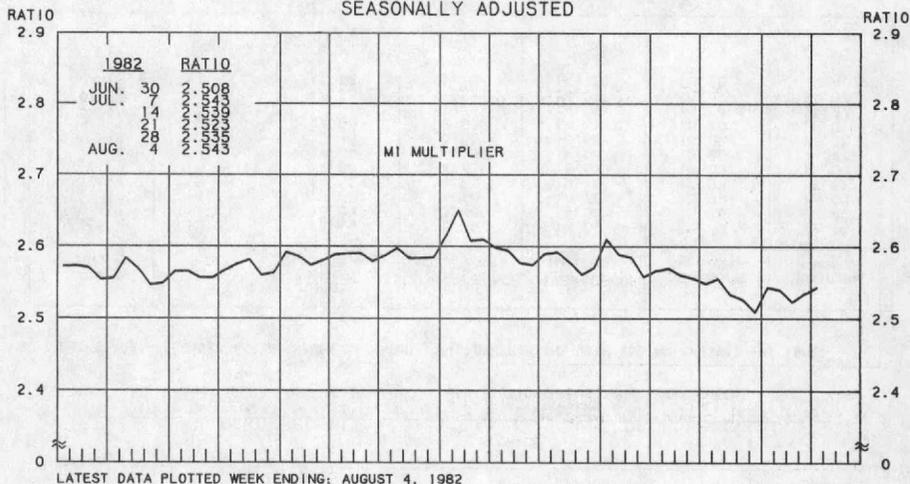
M1 CONSISTS OF CURRENCY HELD BY THE NONBANK PUBLIC PLUS COMMERCIAL BANK DEMAND DEPOSITS HELD BY THE NONBANK PUBLIC (EXCLUDING THOSE HELD BY FOREIGN BANKS AND OFFICIAL INSTITUTIONS) AND OTHER CHECKABLE DEPOSITS OF ALL DEPOSITORY INSTITUTIONS PLUS TRAVELERS' CHECKS.

MONEY STOCK (M1)

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

	8/5/81	11/4/81	1/6/82	2/3/82	3/3/82	4/7/82	5/5/82	6/2/82
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 6/82	7.4							
2/ 3/82	9.5	15.2						
3/ 3/82	7.4	10.0	7.3					
4/ 7/82	6.9	8.7	6.1	-0.1				
5/ 5/82	7.0	8.5	6.5	2.2	5.8			
6/ 2/82	6.5	7.6	5.6	2.2	4.6	4.9		
7/ 7/82	5.2	5.6	3.4	0.4	1.7	0.7	-2.3	
8/ 4/82	5.3	5.7	3.7	1.2	2.4	1.9	0.2	-0.6

MONEY MULTIPLIER ^{1/} CURRENCY COMPONENT OF MONEY STOCK ^{2/} AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 4, 1982

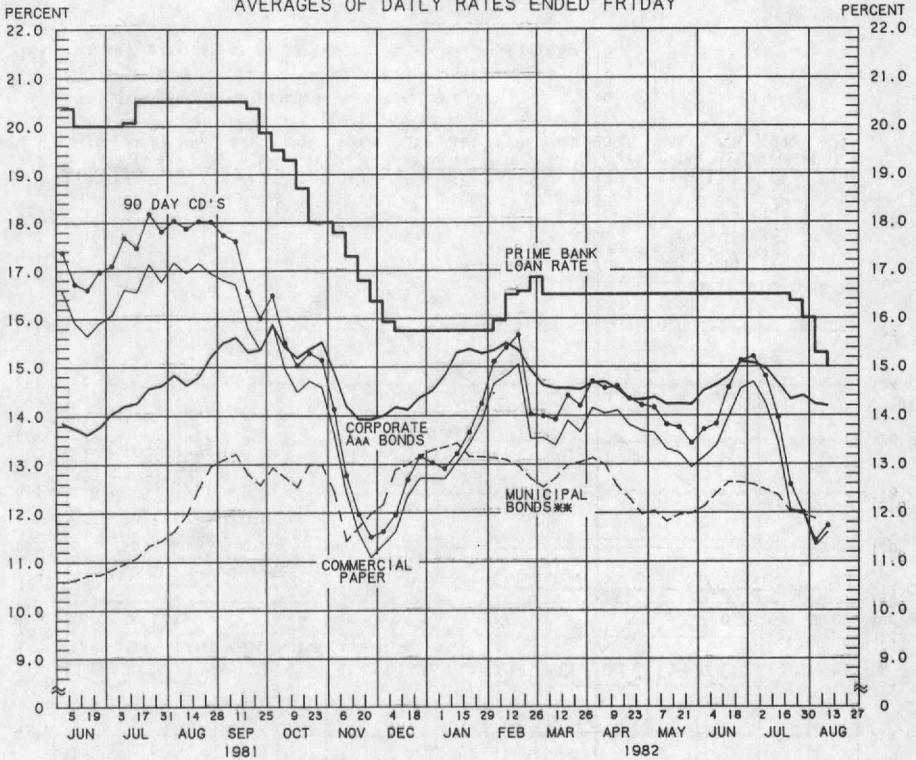
1/ RATIO OF MONEY STOCK (MI) TO ADJUSTED MONETARY BASE

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

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: AUGUST 13, 1982

1982	90 DAY CD'S	PRIME COMMERCIAL PAPER ***	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS **
JUNE 4	13.72	13.15	13.29	14.50	16.80	12.13
11	13.83	13.39	13.46	14.62	16.85	12.40
18	14.56	13.98	14.16	14.79	16.92	12.63
25	15.13	14.55	14.65	15.10	17.03	12.62
JULY 2	15.21	14.68	14.73	15.07	16.95	12.58
9	14.80	14.24	14.15	14.96	16.88	12.47
16	13.96	13.46	13.50	14.65	16.82	12.36
23	12.58	12.05	12.03	14.32	16.70	12.01
30	12.01	12.01	11.71	14.39	16.78	11.97
AUG. 6	11.43	11.33	11.23	14.22	16.69	11.87
13 *	11.73	11.59	11.35	14.18	16.75	N.A.
20						
27						

* AVERAGES OF RATES AVAILABLE.

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

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

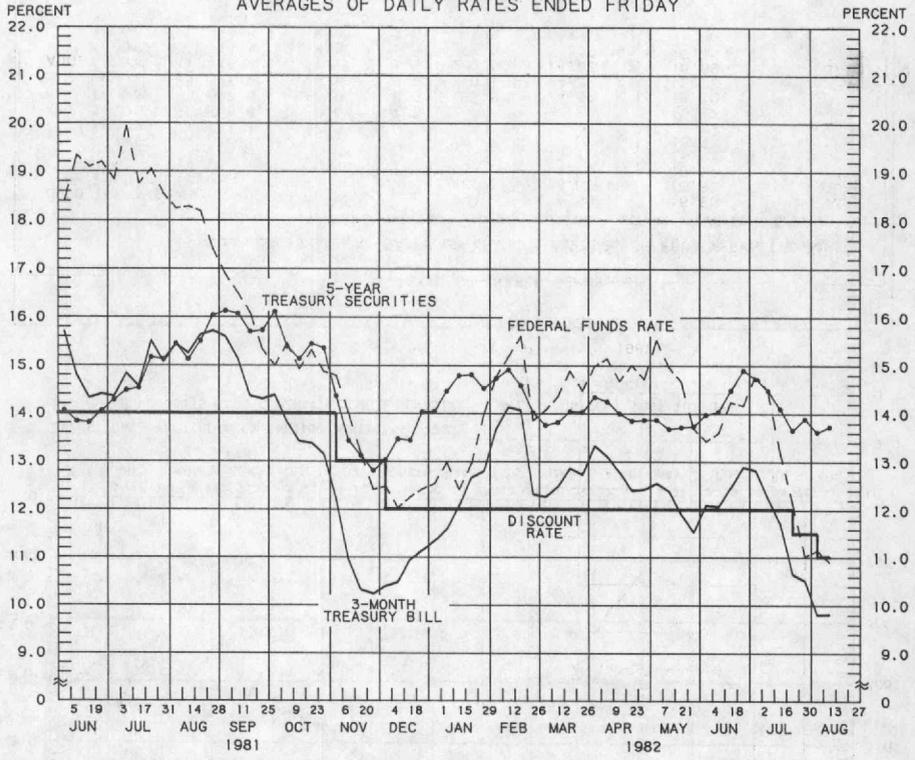
N.A. - NOT AVAILABLE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

FRASER DAILY RATE 3-MONTH COMPOUND AT 1.00%
 NEW BOND MARKET YIELD
 3% YIELD

SELECTED INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 13, 1982

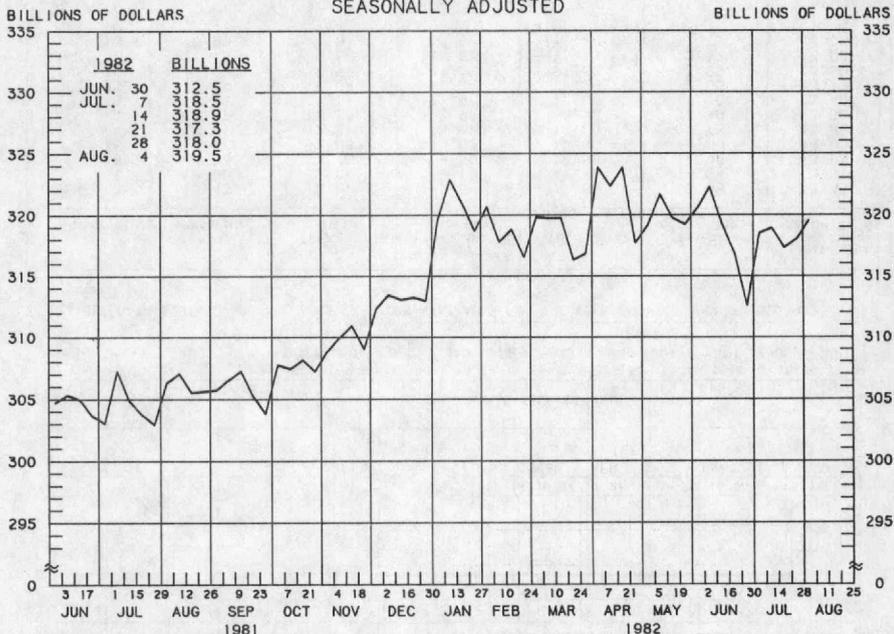
1982	FEDERAL FUNDS ***	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL ***	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
JUNE 4	13.43	12.09	11.59	12.09	13.98	13.49
11	13.60	12.06	12.12	12.20	14.04	13.51
18	14.24	12.46	12.50	12.68	14.48	13.83
25	14.17	12.88	13.03	13.00	14.90	14.03
JULY 2	14.81	12.81	13.42	12.86	14.73	13.85
9	14.47	12.23	12.98	12.50	14.48	13.68
16	13.18	11.71	11.97	12.06	14.10	13.40
23	12.14	10.64	11.44	11.29	13.66	13.11
30	11.02	10.51	11.38	11.50	13.89	13.30
AUG. 6	11.15	9.80	10.67	11.13	13.62	13.08
13 *	10.90	9.81	10.94	11.15	13.73	13.07
20						
27						

* 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.15 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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TOTAL CHECKABLE DEPOSITS 1/

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



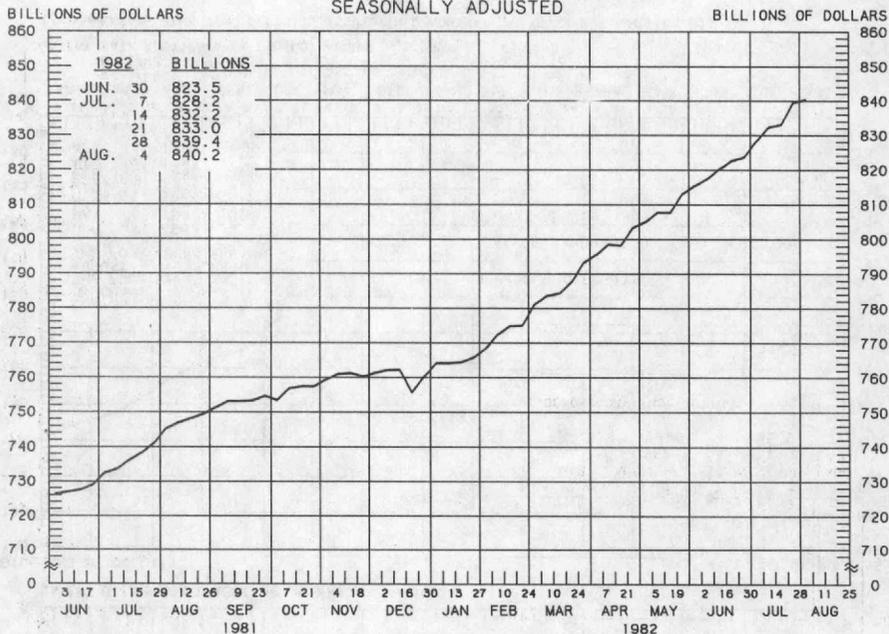
LATEST DATA PLOTTED WEEK ENDING: AUGUST 4, 1982

1/ DEMAND DEPOSITS PLUS OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS

TOTAL CHECKABLE DEPOSITS								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
TO THE AVERAGE OF FOUR WEEKS ENDING:	8/5/81	11/4/81	1/6/82	2/3/82	3/3/82	4/7/82	5/5/82	6/2/82
1/ 6/82	8.2							
2/ 3/82	11.1	17.8						
3/ 3/82	8.0	10.6	7.5					
4/ 7/82	7.3	8.9	5.8	-2.8				
5/ 5/82	7.2	8.5	5.9	-0.1	4.6			
6/ 2/82	6.4	7.1	4.5	-0.5	2.7	2.3		
7/ 7/82	4.4	4.3	1.3	-2.9	-1.3	-3.0	-6.8	
8/ 4/82	4.6	4.6	2.0	-1.5	0.1	-0.8	-2.8	-3.4

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TOTAL TIME DEPOSITS ↓
 ALL COMMERCIAL BANKS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 4, 1982

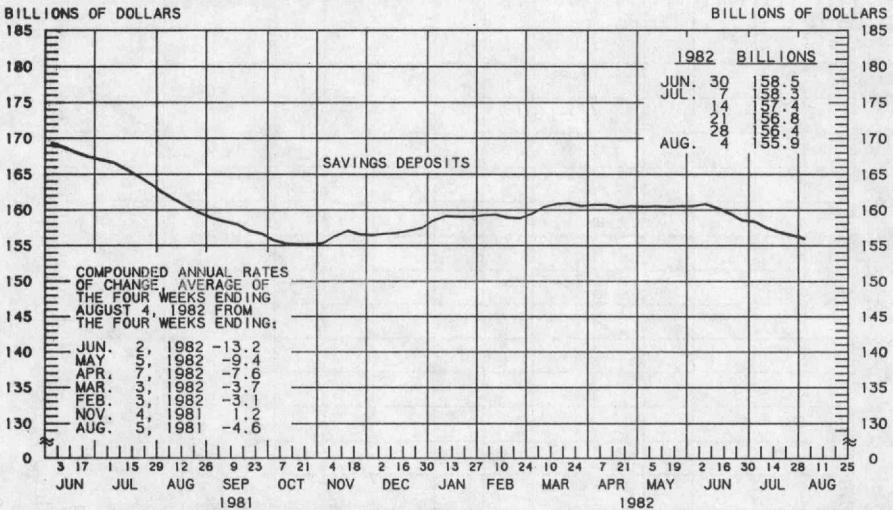
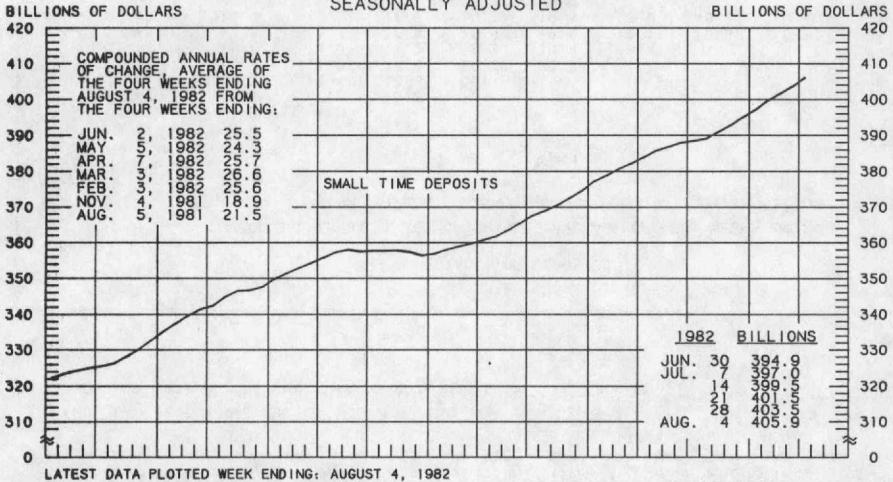
1/ SAVINGS DEPOSITS PLUS SMALL TIME DEPOSITS PLUS LARGE TIME DEPOSITS

TOTAL TIME DEPOSITS								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
	8/5/81	11/4/81	1/6/82	2/3/82	3/3/82	4/7/82	5/5/82	6/2/82
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 6/82	6.6							
2/ 3/82	7.0	4.2						
3/ 3/82	8.5	7.5	13.8					
4/ 7/82	10.2	10.4	16.5	20.1				
5/ 5/82	11.2	11.8	17.3	20.0	20.5			
6/ 2/82	11.7	12.5	17.2	19.3	19.4	18.4		
7/ 7/82	12.3	13.2	17.3	18.9	18.9	18.1	17.3	
8/ 4/82	13.0	14.0	17.9	19.3	19.4	18.9	18.7	19.4

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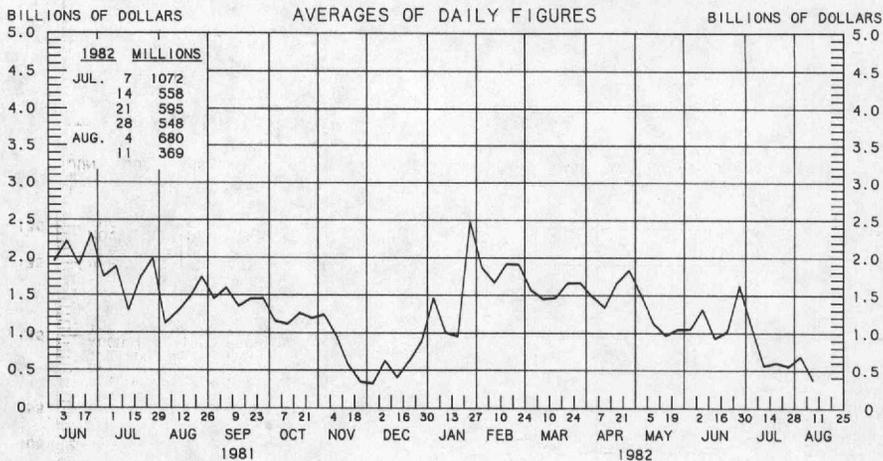
SMALL TIME DEPOSITS \downarrow COMMERCIAL BANK SAVINGS DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



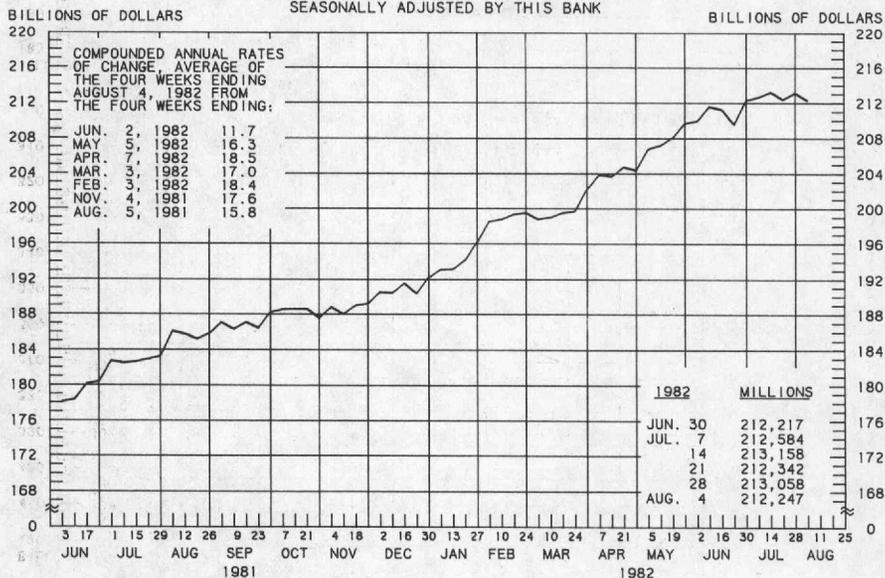
1/ COMMERCIAL BANK TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000.

BORROWINGS FROM FEDERAL RESERVE BANKS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 11, 1982

BUSINESS LOANS^{1/} (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS^{2/} SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: AUGUST 4, 1982

1/ BUSINESS LOANS INCLUDE BANKERS' ACCEPTANCES AND COMMERCIAL PAPER.

2/ BANKS WITH DOMESTIC ASSETS OF \$750 MILLION OR MORE

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 4, 1982
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