



Week ending: August 25, 1982

LIBRARY

AUG 30 1982

Certificates of deposit are an important source of short-term loanable funds for depository institutions, especially commercial banks. Thus, the rate on 90-day CDs represents an important cost of marginal loanable funds to these institutions. Consequently, the prime rate tends to follow movements in the 90-day CD rate, although with a lag. It should be noted, however, that because deposits are subject to reserve requirements, the effective marginal cost of loanable funds acquired by issuing CDs is higher than the market rate on CDs.

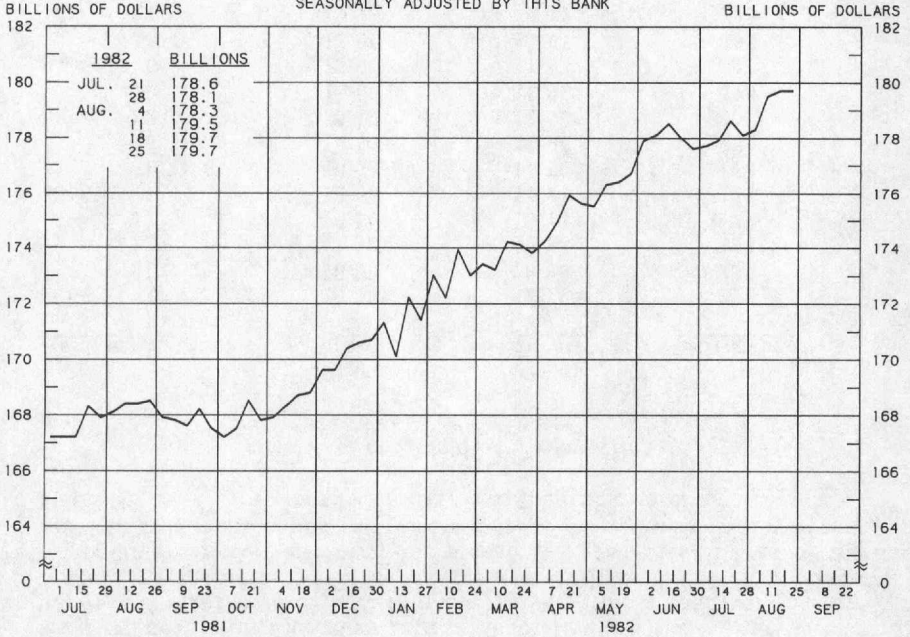
The table below shows that the prime rate has followed recent movements in the 90-day CD rate. For example, the 90-day CD rate declined by more than 550 basis points from the week ending July 2 to the week ending August 27. As a result, the prime rate declined by 300 basis points, beginning with the week ending July 23. This marked the first decline in the prime rate in about five months, as the spread between it and the 90-day CD rate fluctuated within a relatively narrow range. The spread between these rates averaged about 220 basis points during this period. Currently, the spread is larger than it was in the previous five months, and has remained large during the past six weeks, as the 90-day CD rate has fallen as fast as the prime rate.

Prime Rate and Yield on 90-day CDs (averages of daily figures)

<u>Week ending</u>	<u>Prime rate</u>	<u>90-day CD rate</u>	<u>Difference<sup>1/</sup></u>
June 4	16.50%	13.72%	278
11	16.50	13.83	267
18	16.50	14.56	194
25	16.50	15.13	137
July 2	16.50	15.21	129
9	16.50	14.80	170
16	16.50	13.96	254
23	16.10	12.58	352
30	15.80	12.01	379
August 6	15.00	11.43	357
13	15.00	11.63	337
20	14.20	9.77	443
27	13.50	9.63	387

<sup>1/</sup> Difference between the prime rate and the 90-day CD rate in basis points.

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 25, 1982

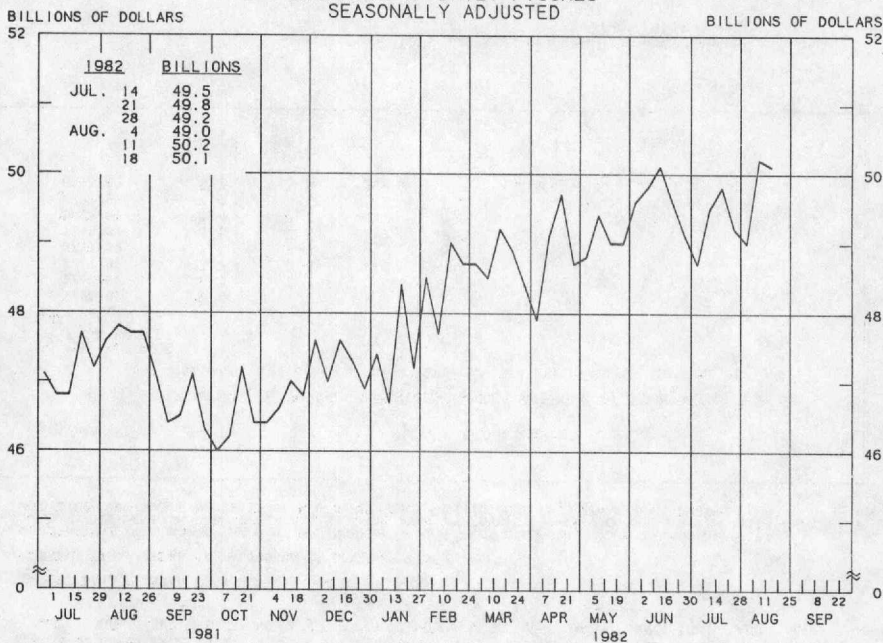
THE ADJUSTED MONETARY BASE CONSISTS OF: (1) RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, (2) CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS), AND (3) AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF 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:								
TO THE AVERAGE OF FOUR WEEKS ENDING:	8/26/81	11/25/81	1/27/82	2/24/82	3/24/82	4/28/82	5/26/82	6/23/82
1/27/82			4.1					
2/24/82			5.5	11.4				
3/24/82			5.5	9.9	9.5			
4/28/82			6.1	9.8	9.4	7.6		
5/26/82			6.2	9.5	9.0	7.6	8.6	
6/23/82			7.0	10.2	10.1	9.3	10.5	11.3
7/28/82			6.3	8.7	8.1	7.1	7.5	6.8
8/25/82			6.5	8.7	8.2	7.4	7.8	7.3
								6.4
								7.2
								4.0

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# ADJUSTED RESERVES

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

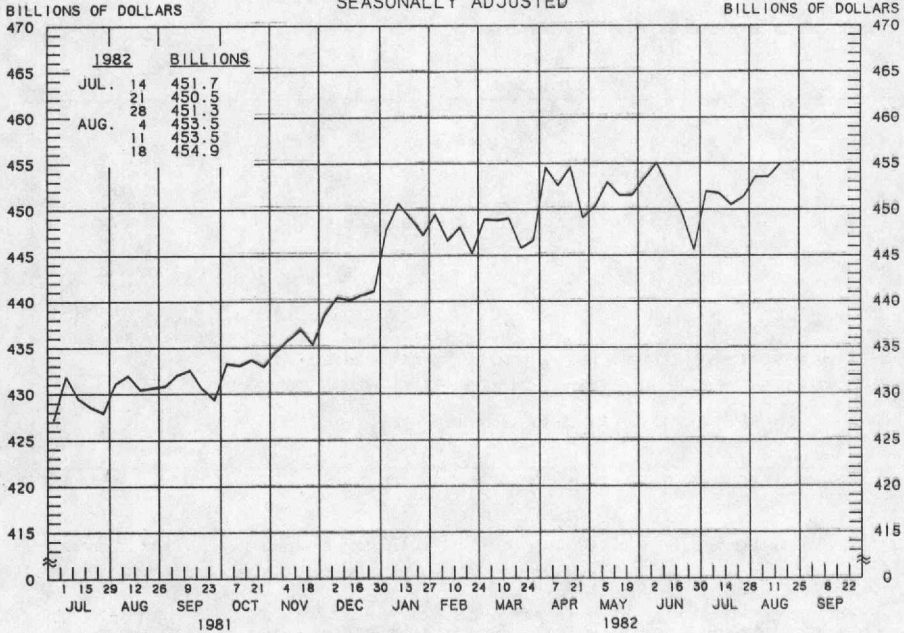


ADJUSTED MONETARY BASE (RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS PLUS CURRENCY IN CIRCULATION) LESS CURRENCY HELD BY THE NONBANK PUBLIC.

ADJUSTED RESERVES								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
TO THE AVERAGE OF FOUR WEEKS ENDING:	8/19/81	11/18/81	1/20/82	2/17/82	3/17/82	4/21/82	5/19/82	6/16/82
1/20/82	-1.0							
2/17/82	2.1	13.5						
3/17/82	4.4	15.2	20.8					
4/21/82	3.8	11.5	12.3	8.7				
5/19/82	3.9	10.6	10.7	7.7	2.4			
6/16/82	5.1	11.4	11.9	9.8	6.7	11.1		
7/21/82	3.9	8.7	8.2	6.0	3.0	4.2	3.6	
8/18/82	4.2	8.7	8.2	6.3	3.9	5.1	5.0	0.0

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MONEY STOCK (M1)  
AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 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:

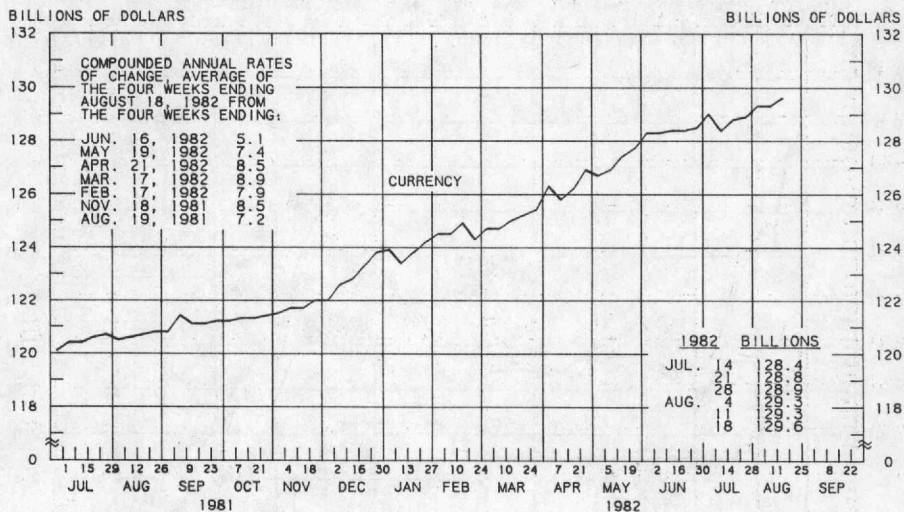
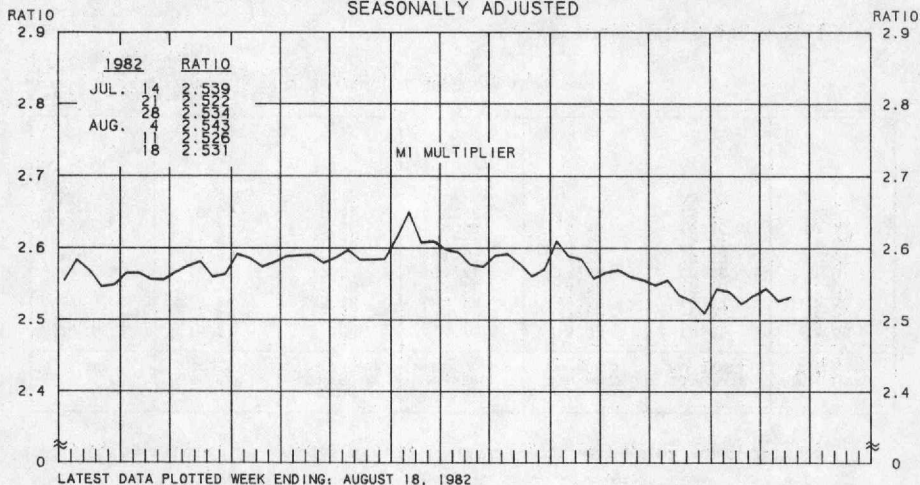
8/19/81 11/18/81 1/20/82 2/17/82 3/17/82 4/21/82 5/19/82 6/16/82

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

1/20/82	9.5								
2/17/82	8.3	12.3							
3/17/82	7.2	9.4	1.3						
4/21/82	7.6	9.5	4.5	5.7					
5/19/82	6.5	7.5	2.7	2.9	3.9				
6/16/82	6.4	7.3	3.3	3.6	4.5	1.3			
7/21/82	4.9	5.1	1.3	1.1	1.2	-1.9	-1.4		
8/18/82	5.3	5.6	2.4	2.5	2.8	0.8	2.1	0.4	

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# MONEY MULTIPLIER <sup>1/</sup> CURRENCY COMPONENT OF MONEY STOCK <sup>2/</sup> AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

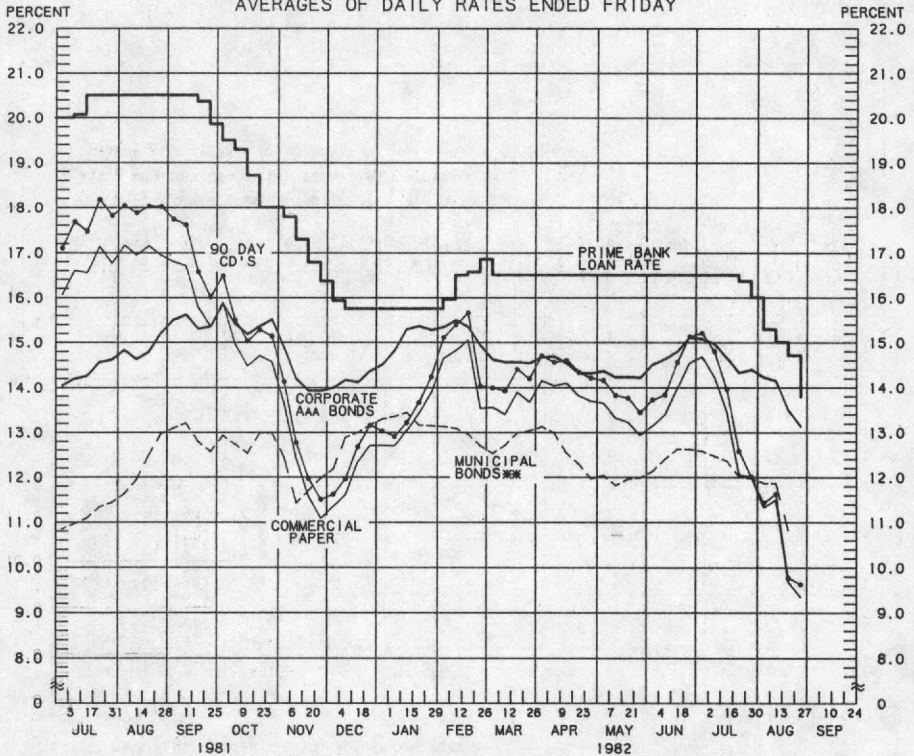


1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE  
2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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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 27, 1982

1982	90 DAY CD'S	PRIME COMMERCIAL PAPER ***	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS **
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	11.63	11.50	11.23	14.14	16.71	11.86
20	9.77	9.68	9.66	13.48	16.26	10.82
27 *	9.63	9.35	9.48	13.13	15.88	N.A.
SEP. 3						
10						
17						
24						

\* AVERAGES OF RATES AVAILABLE.

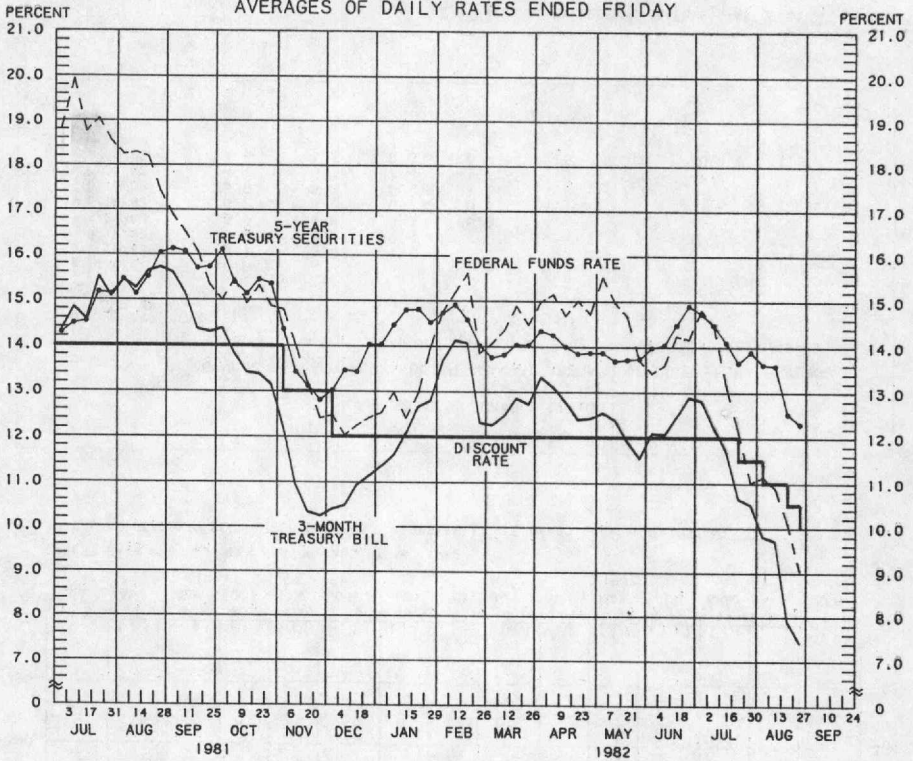
\*\* BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

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

N.A. - NOT AVAILABLE

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## SELECTED INTEREST RATES AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING, AUGUST 27, 1982

1982	FEDERAL FUNDS %*	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %**	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	13.66	13.30
AUG. 6	11.15	9.80	10.67	11.13	13.62	13.08
13	10.90	9.70	10.94	11.06	13.59	13.02
20	10.11	7.88	9.82	9.71	12.53	12.17
27 *	9.04	7.42	8.99	9.56	12.31	11.97
SEP. 3						
10						
17						
24						

\* 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

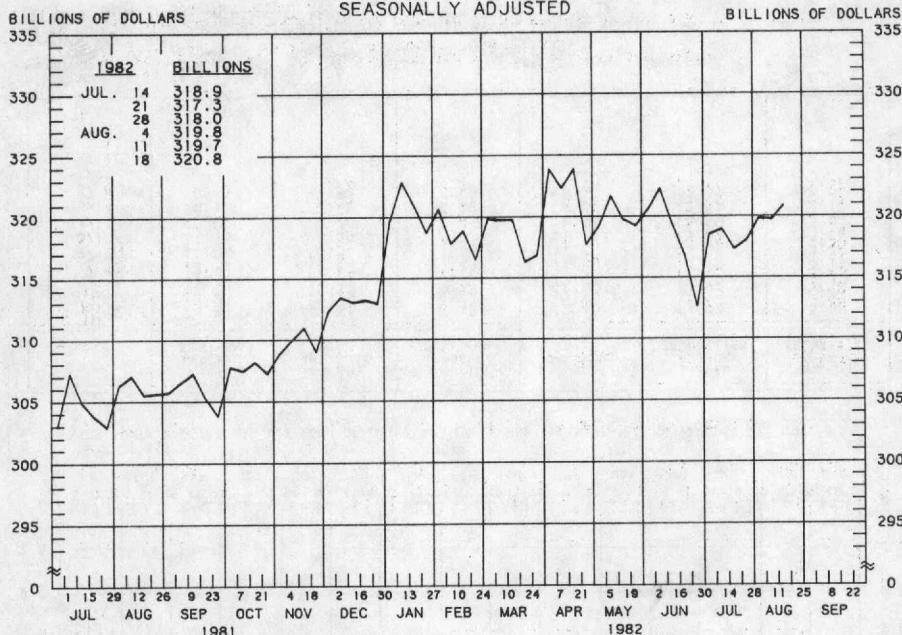
RATES ON LONG-TERM TREASURY SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.

TREASURY BILL YIELDS ON DISCOUNT BASIS.

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## TOTAL CHECKABLE DEPOSITS <sup>1/</sup>

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 1982

<sup>1/</sup> DEMAND DEPOSITS PLUS OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS

### TOTAL CHECKABLE DEPOSITS

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

8/19/81 11/18/81 1/20/82 2/17/82 3/17/82 4/21/82 5/19/82 6/16/82

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

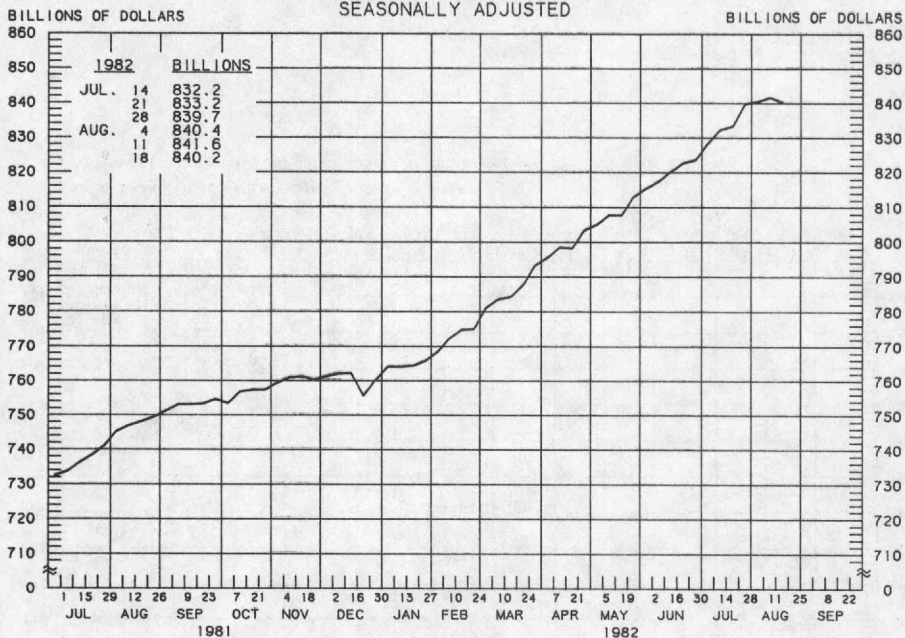
1/20/82	10.9							
2/17/82	9.1	13.3						
3/17/82	7.8	9.9	-0.4					
4/21/82	8.0	9.8	3.3	5.0				
5/19/82	6.2	6.8	0.4	0.6	1.1			
6/16/82	5.9	6.3	0.9	1.3	1.8	-2.8		
7/21/82	4.1	3.7	-1.4	-1.6	-1.9	-6.0	-4.8	
8/18/82	4.6	4.5	0.3	0.4	0.5	-2.0	0.1	-1.3

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# TOTAL TIME DEPOSITS <sup>1/</sup>

ALL COMMERCIAL BANKS  
AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 1982

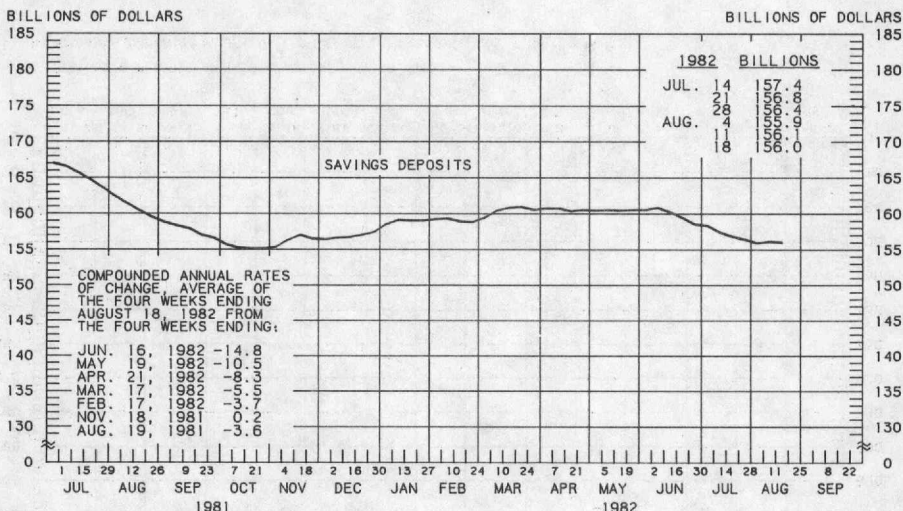
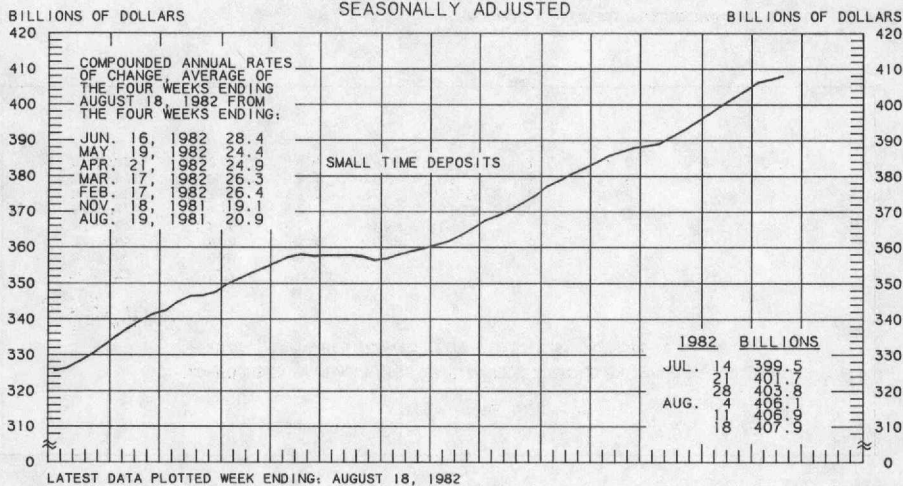
<sup>1/</sup> SAVINGS DEPOSITS PLUS SMALL TIME DEPOSITS PLUS LARGE TIME DEPOSITS

TOTAL TIME DEPOSITS								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
	8/19/81	11/18/81	1/20/82	2/17/82	3/17/82	4/21/82	5/19/82	6/16/82
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/20/82	5.7							
2/17/82	6.8	5.6						
3/17/82	8.4	8.8	16.2					
4/21/82	10.3	11.8	18.6	21.2				
5/19/82	11.0	12.5	18.2	19.9	20.0			
6/16/82	11.6	13.3	18.2	19.5	19.5	17.6		
7/21/82	12.3	13.9	18.1	19.1	19.0	17.6	18.0	
8/18/82	12.8	14.4	18.2	19.1	19.0	18.0	18.3	18.3

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## SMALL TIME DEPOSITS <sup>1/</sup> COMMERCIAL BANK SAVINGS DEPOSITS

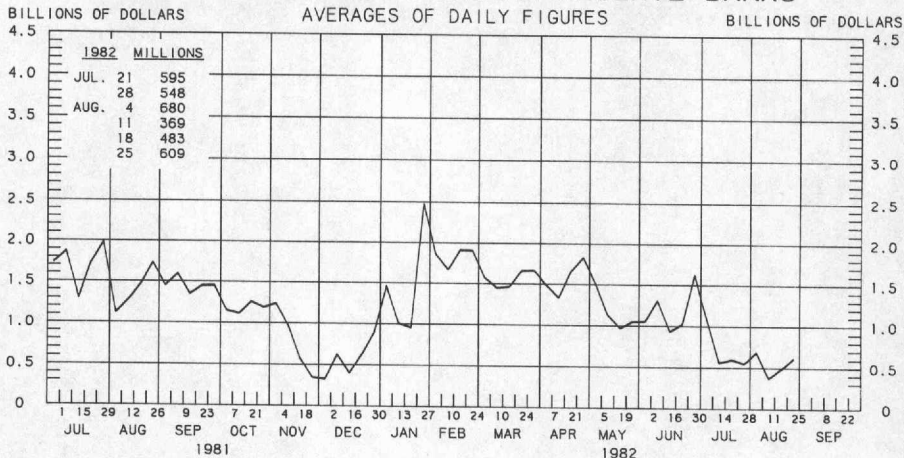
AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



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

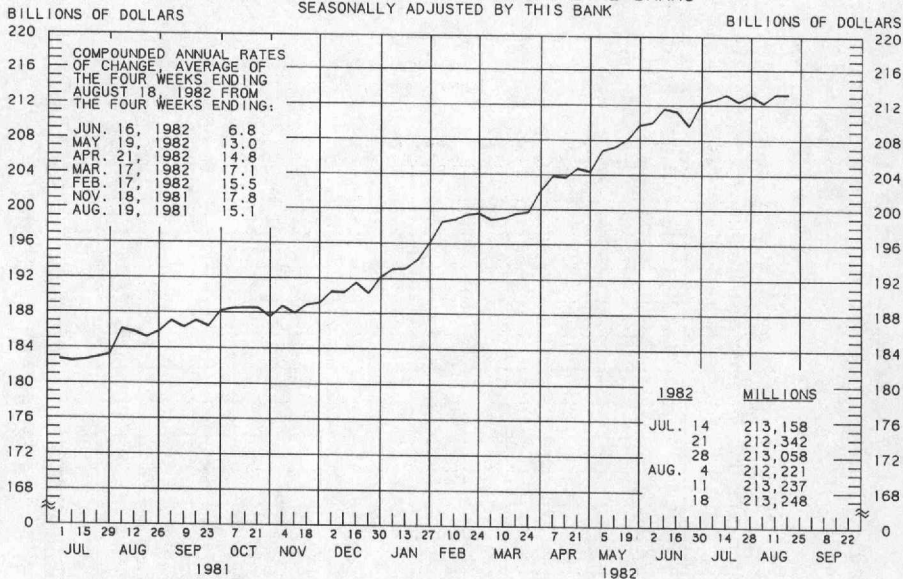
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# BORROWINGS FROM FEDERAL RESERVE BANKS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 25, 1982

# BUSINESS LOANS<sup>1/</sup> (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS<sup>2/</sup> SEASONALLY ADJUSTED BY THIS BANK



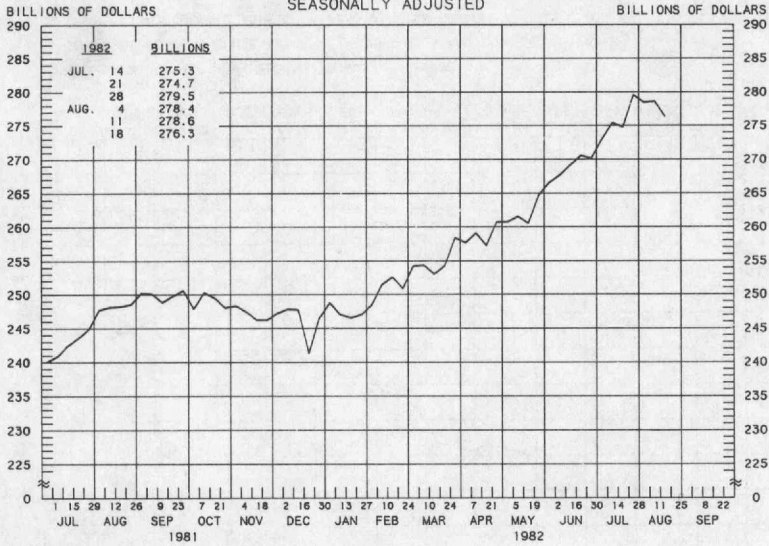
LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 1982

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

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

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LARGE TIME DEPOSITS  
ALL COMMERCIAL BANKS  
AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 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