

FEDERAL RESERVE statistical release



H.9 (511)

For Immediate Release

WEEKLY SUMMARY OF BANKING AND CREDIT MEASURES

August 28, 1981

Averages of daily figures

	Levels				Percent change ⁸		
	Week ended		4 weeks ended		Average of 4 weeks ended August 26, 1981 from 4 weeks averages		
	August 26	August 19	August 26	July 29	13 weeks previous	26 weeks previous	52 weeks previous
	Millions of dollars, seasonally adjusted				Seasonally adjusted annual rates		
Reserve aggregates¹							
Total reserves ²	42,202	41,782	41,486	41,122			
Nonborrowed reserves	40,476	40,325	40,093	39,405			
Nonborrowed reserves plus extended credit ³	40,631	40,384	40,147	39,405			
Required reserves	41,982	41,565	41,202	40,770			
Monetary base ⁴	166,682	166,030	165,680	165,011			
Reserve aggregates (adjusted)⁵							
Total reserves	41,454	41,030	40,857	40,610	4.3	6.7	7.7 (6.1)
Nonborrowed reserves	39,728	39,573	39,464	38,893	13.9	6.4	5.6 (4.0)
Nonborrowed reserves plus extended credit	39,883	39,632	39,517	38,893	14.4	6.7	5.0 (3.5)
Required reserves	41,234	40,813	40,572	40,258	4.2	5.9	7.7 (6.2)
Monetary base	166,629	165,931	165,731	165,148	5.1	6.8	7.4 (7.0)
	Billions of dollars, seasonally adjusted				Seasonally adjusted annual rates		
Monetary aggregates							
M1-A (Currency plus demand deposits)	360.5	364.0	362.2	361.4	-4.3	-3.4	-5.0
M1-B (M1-A plus other checkable deposits)	430.8	434.5	431.9	429.8	-0.9	5.9	6.7
	Not seasonally adjusted						
Other reserve measures and interest rates							
Member bank borrowings (\$ mil.)	1726	1457	1393	1717			
Includes: seasonal borrowings of extended credit of	246	231	232	246			
Federal funds rate	15.70	18.19	18.04	19.07			
3-month Treasury bill rate	15.70	15.61	15.44	14.96			
90 day dealer placed commercial paper ⁶	17.22	17.36	17.26	17.02			
3-month CD rate (secondary market)	18.07	18.01	17.98	17.77			
3-month Eurodollar rate	18.84	18.73	18.80	18.52			
U.S. Government bond rate ⁷	14.78	14.24	14.43	13.88			

1 Includes required reserves against deposits at member banks and Edge Act corporations and beginning November 13, 1980, at other depository institutions. Effective November 13, 1980 required reserves of member banks and Edge Act corporations were reduced about \$4.3 billion and required reserves of other depository institutions were increased about \$1.4 billion due to the implementation of the Monetary Control Act of 1980. Also in conjunction with the Monetary Control Act, required reserves of certain nonmember banks and foreign related institutions increased pursuant to the transitional phase-in program by approximately \$245 million effective on each of the following dates: February 18, 1981, May 20, 1981, and August 19, 1981.

2 Reserve balances with Federal Reserve Banks (which exclude required clearing balances) plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

3 Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

4 Includes reserve and required clearing balances at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vault of depository institutions, and surplus vault cash at depository institutions.

5 Reserve aggregates series have been adjusted to remove discontinuities associated with the implementation of the Monetary Control Act, marginal reserve requirements, the inclusion of Edge Act Corporation reserves, and other changes in Regulations D and K. Prior to February 18, 1981, reserve aggregates series have been adjusted historically to conform to the structure of reserve requirements currently in effect. Beginning February 18, the series have been adjusted to remove the effects of scheduled transitional changes in reserve requirements under the MCA.

6 On August 19, 1981 bank-related commercial paper outstanding was \$31,251 million.

7 Yield at 20-year constant maturity. Source: U.S. Treasury.

8 Growth of reserve measures reflect increases in required reserves, mostly in November 1980, associated with the reduction of weekend avoidance activities of a few large banks. The reduction of these activities leads to essentially a one-time increase--currently estimated at \$550 to \$600 million--in the average level of required reserves that need to be held for a given level of deposits entering the money supply. This increase in required reserves would raise reserve aggregates for technical reasons unrelated to monetary policy. Growth rates shown in parentheses reflect adjustment for this technical factor. No significant influence on money supply data has been identified as a result of this technical change.

NOTE: All percentage changes are at seasonally adjusted annual rates, not compounded.

p--Indicates preliminary data. Special caution should be taken in interpreting week-to-week changes in money supply data, which are often highly volatile and subject to revision in subsequent weeks and months.