



Week ending: September 15, 1982

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SEP 20 1982

Although interest on securities of similar maturity generally move in the same direction in response to market forces, differences between rates may develop as a result of investors' perceptions of the financial strength of the issuers. For example, corporate Aaa bonds carry lower market rates than corporate Baa bonds because their issuers are rated as better credit risks; Treasury securities have lower yields than corporate securities of similar maturity because the federal government has the power to raise revenue through taxation.

The recent pattern in long- and short-term interest rates evinces a greater preference for financial strength on the part of investors. The table below indicates that the interest rate spreads between private and Treasury issues of similar maturity, and between corporate Baa and Aaa bonds, have all increased since last year. For example, the spread between corporate Aaa bonds and long-term Treasury securities has increased from 91 to 105 basis points. The largest increase occurred in the spread between corporate Baa and Aaa bonds, which has nearly doubled.

-Donald M. Brown

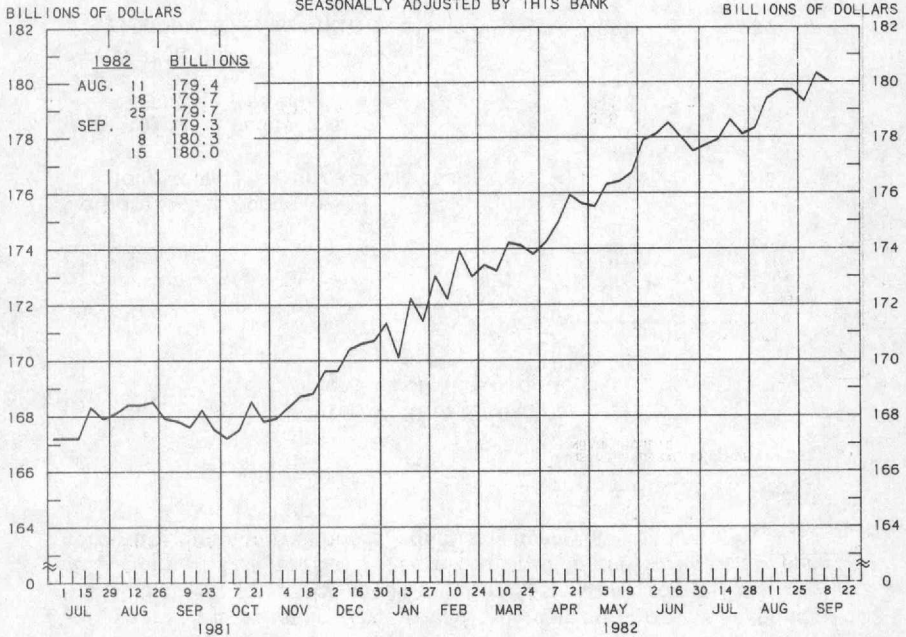
Interest Rate Spreads\* (averages of weekly data)

Rate Spreads	Four-week periods	
	8/28/81-9/18/81	8/27/82-9/17/82
Corporate Aaa bonds less long-term Treasury securities	91	105
Corporate Baa bonds less corporate Aaa bonds	138	261
90-day CDs less 3-month Treasury bills	229	237
4-month commercial paper less 3-month Treasury bills	136	238

\*Differences in basis points.

## ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 15, 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:

	9/16/81	12/16/81	2/17/82	3/17/82	4/14/82	5/12/82	6/16/82	7/14/82
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/17/82		6.6						
3/17/82		6.7	9.5					
4/14/82		6.6	8.7	6.6				
5/12/82		7.2	9.3	8.3	8.9			
6/16/82		7.9	9.9	9.5	10.3	12.2		
7/14/82		7.1	8.5	7.6	7.8	8.3	6.8	
8/18/82		7.0	8.3	7.4	7.5	7.8	6.7	3.6
9/15/82		7.0	8.1	7.3	7.4	7.6	6.7	4.6
								6.7

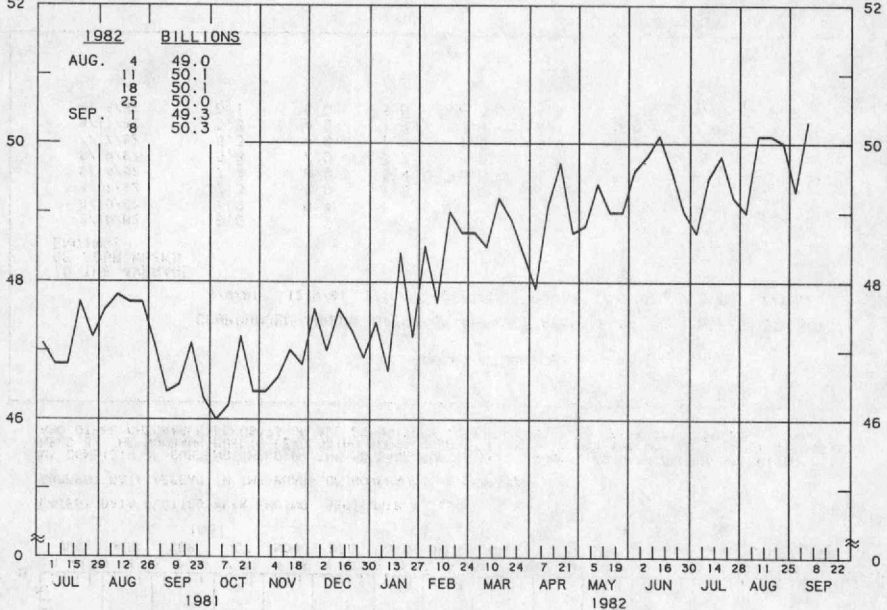
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# ADJUSTED RESERVES

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS  
52

BILLIONS OF DOLLARS  
52



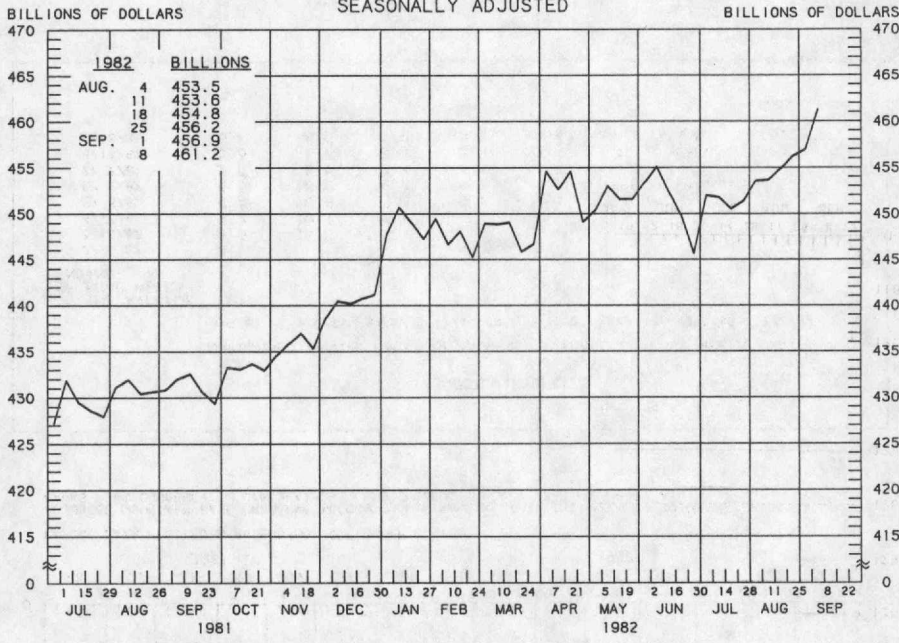
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 8, 1982

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:									
	9/9/81	12/9/81	2/10/82	3/10/82	4/7/82	5/5/82	6/9/82	7/7/82	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
2/10/82	4.1								
3/10/82	6.5	14.3							
4/7/82	5.2	10.1	8.4						
5/5/82	6.2	10.8	10.3	5.5					
6/9/82	6.3	10.0	9.2	5.9	9.9				
7/7/82	5.7	8.6	7.4	4.5	6.7	3.6			
8/11/82	5.3	7.7	6.3	3.9	5.4	3.1	1.2		
9/8/82	5.7	8.0	7.0	5.0	6.4	4.8	4.1	6.0	

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MONEY STOCK (M1)  
 AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 8, 1982

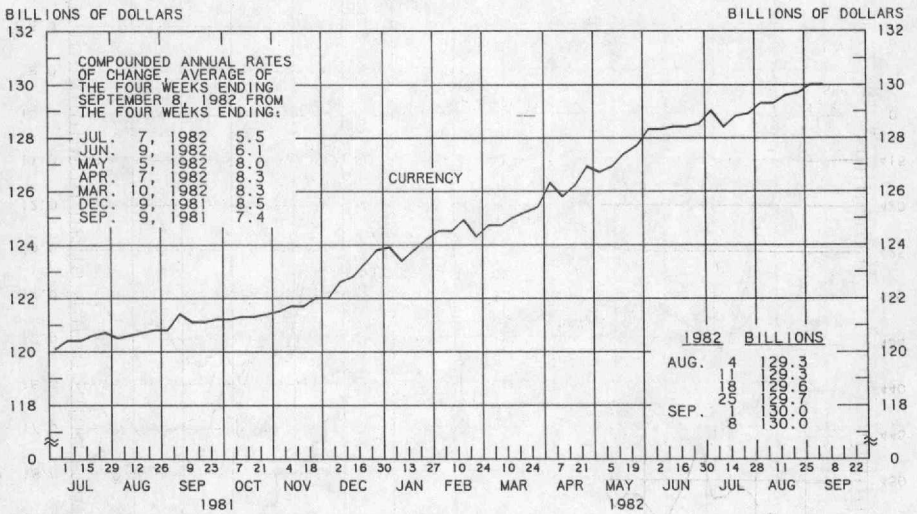
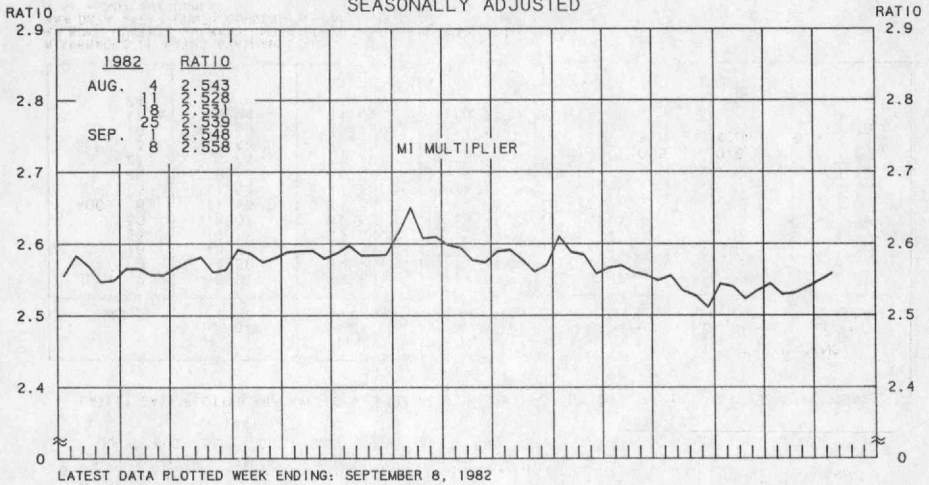
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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:								
	9/9/81	12/9/81	2/10/82	3/10/82	4/7/82	5/5/82	6/9/82	7/7/82
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/10/82	9.6							
3/10/82	7.9	9.4						
4/7/82	7.3	8.0	1.3					
5/5/82	7.4	8.0	3.4	5.8				
6/9/82	6.8	7.0	3.2	4.6	5.0			
7/7/82	5.3	4.8	1.0	1.5	0.8	-2.2		
8/11/82	5.3	4.9	1.8	2.4	2.1	0.5	-0.8	
9/8/82	6.1	6.0	3.6	4.3	4.4	3.7	4.0	9.9

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



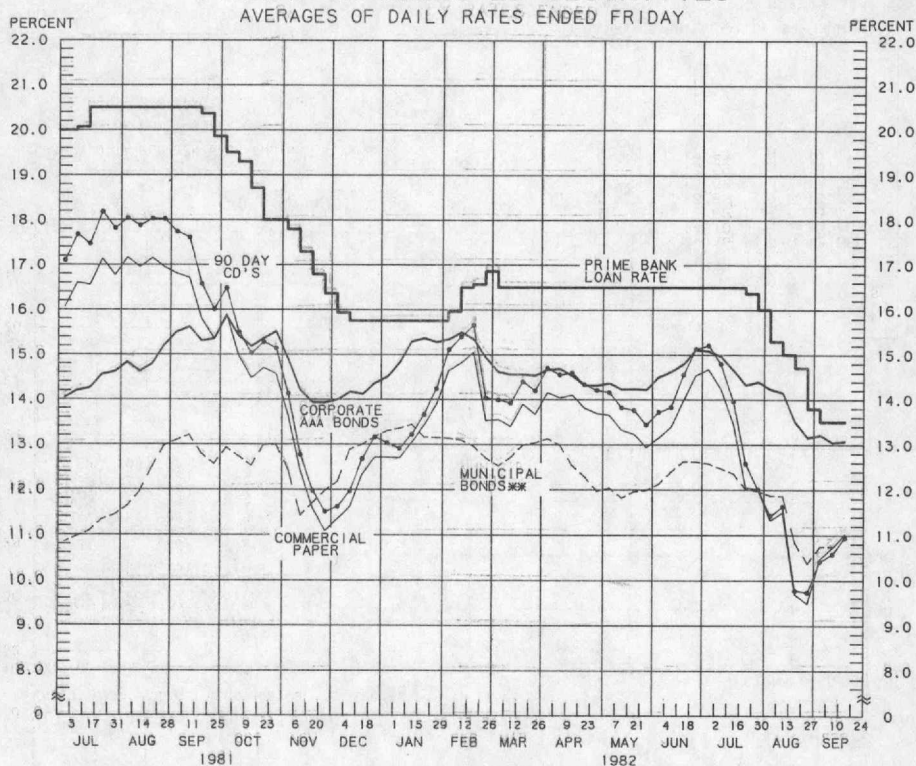
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 8, 1982

<sup>1/</sup> RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

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

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## YIELDS ON SELECTED SECURITIES



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	9.73	9.48	9.59	13.15	15.86	10.38
SEP. 3	10.42	10.48	10.18	13.20	15.73	10.74
10	10.58	10.72	10.38	13.04	15.63	10.75
17 *	10.94	11.02	10.73	13.07	15.71	N.A.
24						

\* AVERAGES OF RATES AVAILABLE.

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

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

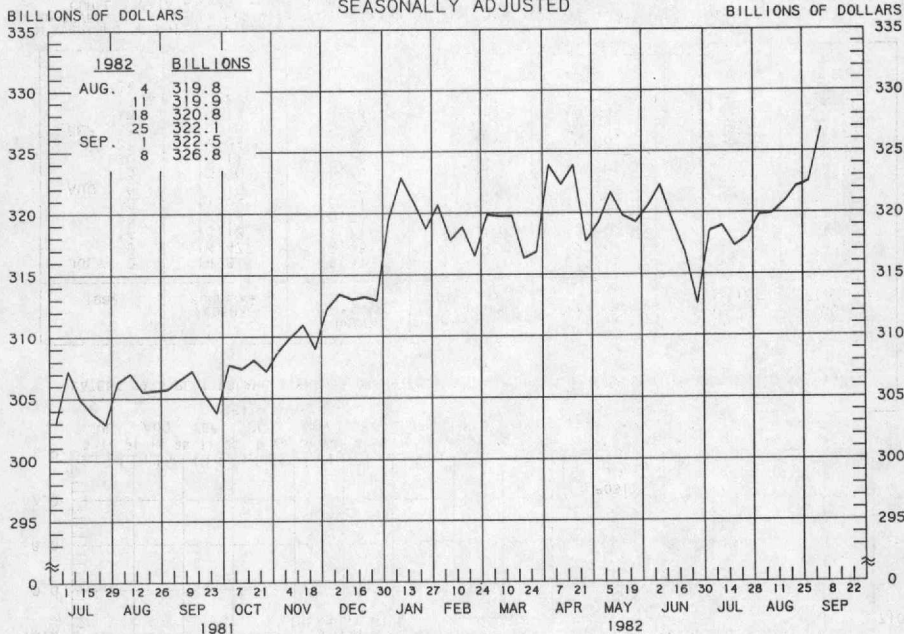
N.A. - NOT AVAILABLE

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

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 8, 1982

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

### TOTAL CHECKABLE DEPOSITS

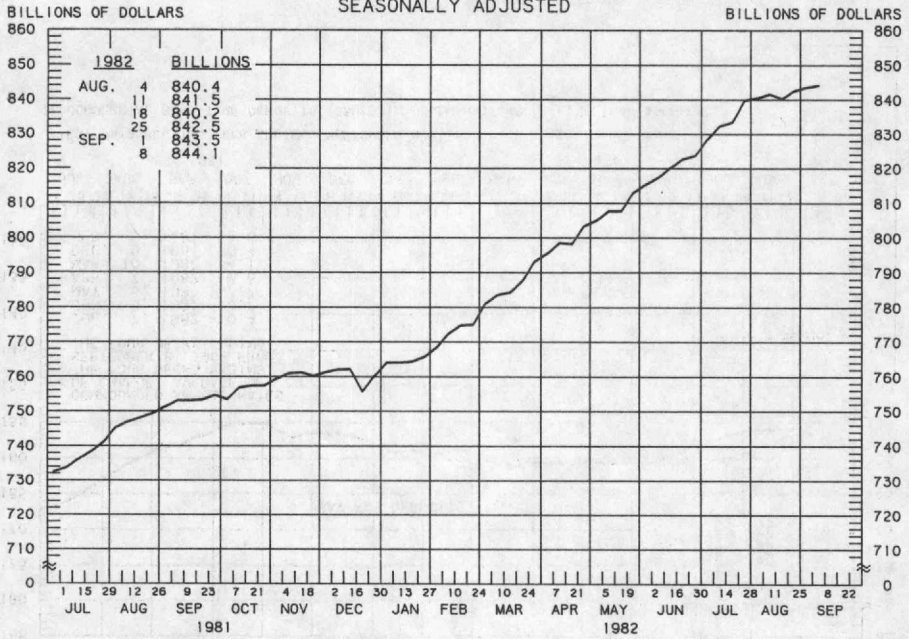
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	9/9/81	12/9/81	2/10/82	3/10/82	4/7/82	5/5/82	6/9/82	7/7/82
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/10/82	10.9							
3/10/82	8.6	9.7						
4/7/82	7.7	7.9	-0.6					
5/5/82	7.5	7.6	1.6	4.2				
6/9/82	6.4	5.9	0.9	2.2	2.2			
7/7/82	4.4	3.0	-2.1	-1.8	-3.0	-6.8		
8/11/82	4.6	3.6	-0.4	0.1	-0.4	-2.2	-2.9	
9/8/82	5.7	5.0	2.0	2.8	2.9	2.2	3.4	12.0

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



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 8, 1982

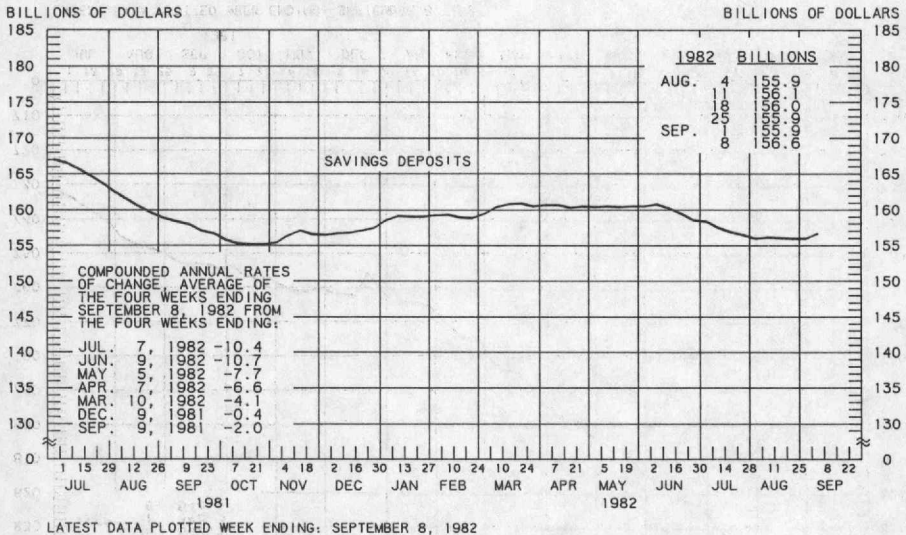
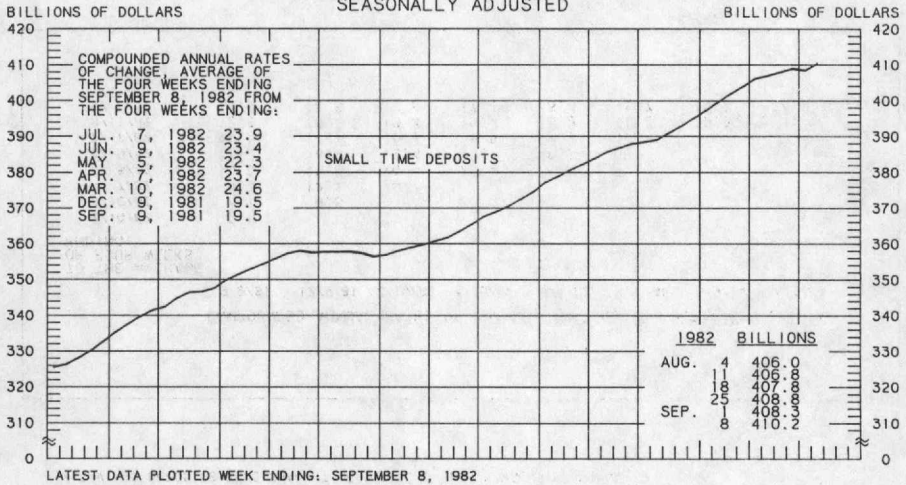
1/ SAVINGS DEPOSITS PLUS SMALL TIME DEPOSITS PLUS LARGE TIME DEPOSITS

TOTAL TIME DEPOSITS								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
TO THE AVERAGE OF FOUR WEEKS ENDING:	9/9/81	12/9/81	2/10/82	3/10/82	4/7/82	5/5/82	6/9/82	7/7/82
2/10/82	5.5							
3/10/82	7.7	9.5						
4/7/82	9.3	12.1	20.7					
5/5/82	10.5	13.6	20.4	20.4				
6/9/82	11.3	14.2	19.4	19.1	18.2			
7/7/82	11.9	14.7	19.1	18.8	18.1	17.4		
8/11/82	12.8	15.5	19.4	19.2	18.9	18.6	19.5	
9/8/82	12.3	14.5	17.5	17.1	16.4	15.7	15.2	14.0

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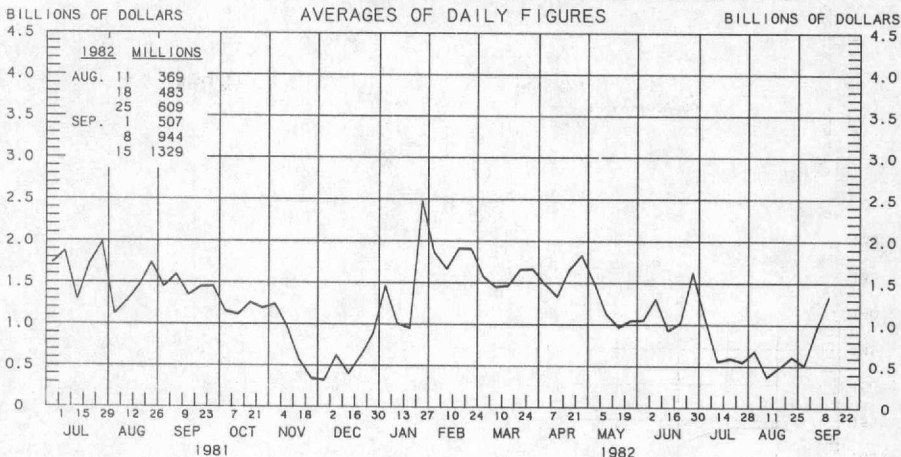
## SMALL TIME DEPOSITS <sup>1/</sup> COMMERCIAL BANK SAVINGS DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



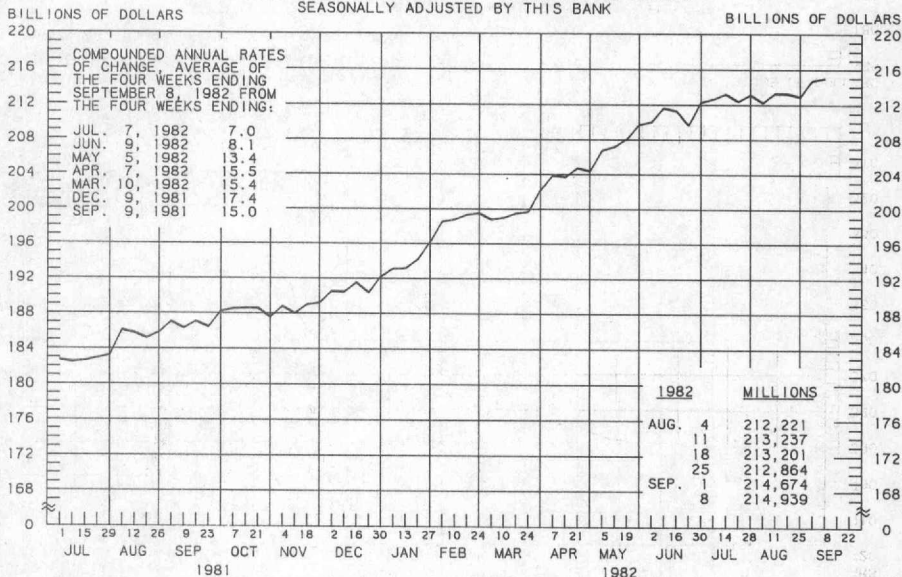
<sup>1/</sup> COMMERCIAL BANK TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000.

# BORROWINGS FROM FEDERAL RESERVE BANKS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 15, 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: SEPTEMBER 8, 1982

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

<sup>2/</sup> 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: SEPTEMBER 8, 1982

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TIME DEPOSITS ISSUED IN DENOMINATIONS OF \$100,000 OR MORE.

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