

U.S. Financial Data

Federal Reserve Bank of St. Louis

November 19, 1982

NOV 22 1982

Historically, short-term securities usually have had lower yields than longer-term securities because short-term securities have a lesser risk of capital loss due to unforeseen interest rate changes during the holding period. Consequently, the yield curve rises as the term-to-maturity lengthens. For example, instances of the 3-month Treasury bill rate exceeding the yields on 1-year or longer-term Treasury securities were infrequent prior to the late 1960s, and such episodes were brief and entailed differences of only a few basis points. A sustained example of a negatively sloped yield curve did not occur until July 1973-April 1974. The standard explanation for a negatively sloped yield curve, i.e., short-term rates exceeding long-term rates, is that short-term rates have larger inflation premiums than longer-term rates.

As shown in the table, from 1960 to late 1978 the average monthly inflation rate was roughly the same as the 12-month moving average inflation rate. As expected, the yield curve on average, was, positively sloped. In contrast, from September 1978 to September 1981 the yield curve routinely had a negative slope as inflation rates were very high and volatile. The exception was from May to September 1980, when the monthly inflation rate was well below the 12-month rate. Since October 1981, the yield curve has largely regained a positive slope as the monthly inflation rate has again fallen relative to the 12-month rate.

—Mack Ott

Inflation Rates and the Yield Curve

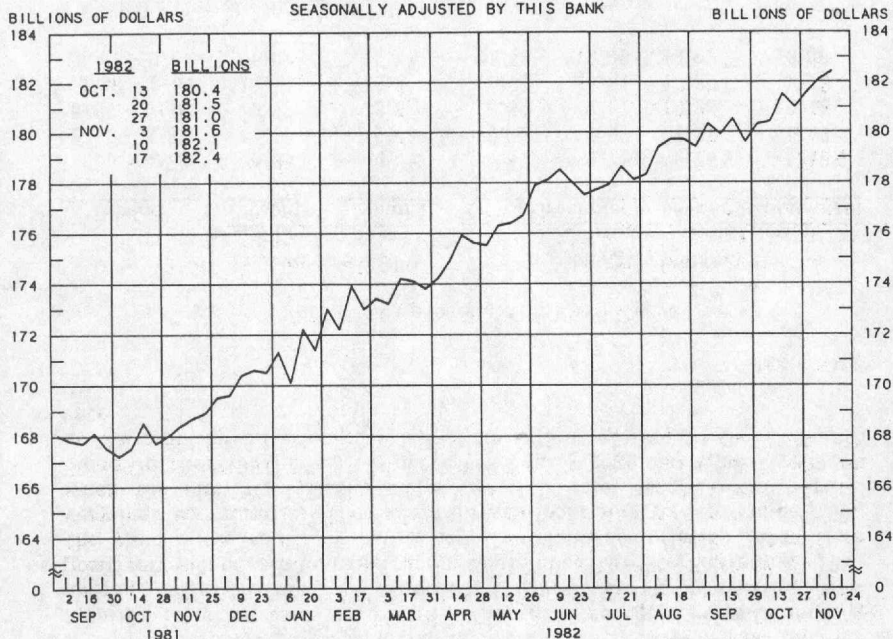
Period	Average CPI inflation rate*		Average yields on U.S. Treasury securities			
	1-month	12-month	3-month	1-year	5-year	Long-term
1/60 - 8/78	4.5%	4.3%	4.82%	5.11%	5.78%	5.48%
9/78 - 4/80	13.1	11.4	10.38	10.07	9.89	9.57
5/80 - 9/80	9.3	13.5	8.62	8.81	10.23	10.48
10/80 - 9/81	11.0	11.1	14.49	13.21	13.87	12.93
10/81 - 9/82	5.0	7.4	11.58	12.00	13.92	13.36

*Annual rates of change.

Due to the Thanksgiving holiday, this release will not be published next week.

ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



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

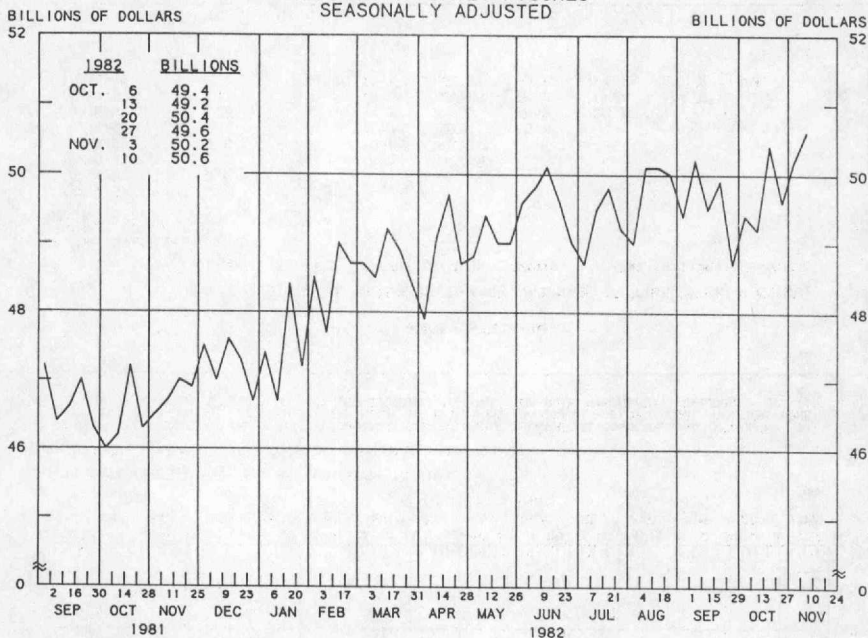
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE OF FOUR WEEKS ENDING:	11/18/81	2/17/82	4/14/82	5/19/82	6/16/82	7/14/82	8/18/82	9/15/82
4/14/82		9.2						
5/19/82		9.5	8.1					
6/16/82	10.1	9.5	12.2					
7/14/82	8.9	7.6	8.3	6.8				
8/18/82	8.6	7.4	7.8	6.8	3.6			
9/15/82	8.4	7.3	7.6	6.8	4.6	6.7		
10/20/82	7.9	6.9	7.0	6.1	4.5	5.8	5.3	
11/17/82	8.1	7.2	7.3	6.7	5.4	6.6	6.6	6.6

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED RESERVES

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 10, 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:								
	11/11/81	2/10/82	4/7/82	5/12/82	6/9/82	7/7/82	8/11/82	9/8/82
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/ 7/82	10.4							
5/12/82	11.0	10.4						
6/ 9/82	10.2	9.2	9.9					
7/ 7/82	9.0	7.4	6.7	2.7				
8/11/82	8.1	6.3	5.4	2.5	1.2			
9/ 8/82	8.3	7.0	6.4	4.4	4.1	6.0		
10/13/82	6.0	4.1	2.8	0.5	-0.6	-0.7	-2.3	
11/10/82	7.5	6.2	5.6	4.1	3.9	4.8	5.8	3.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 10, 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.

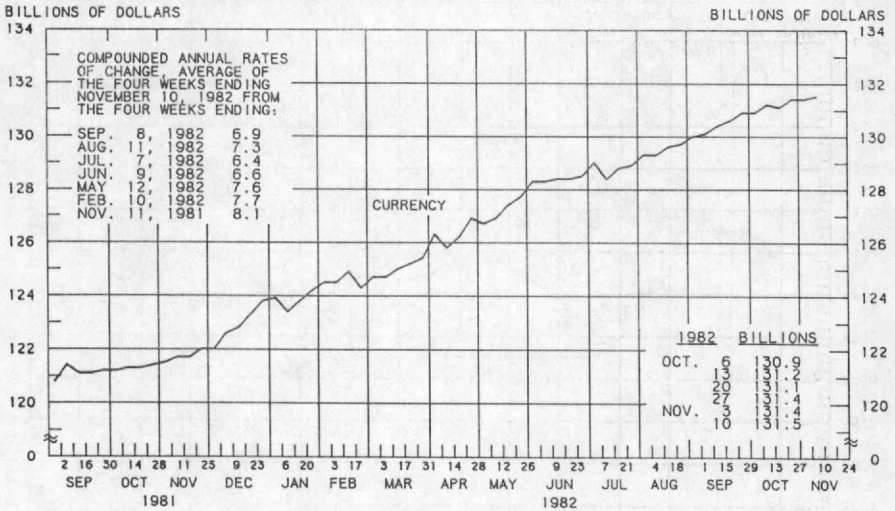
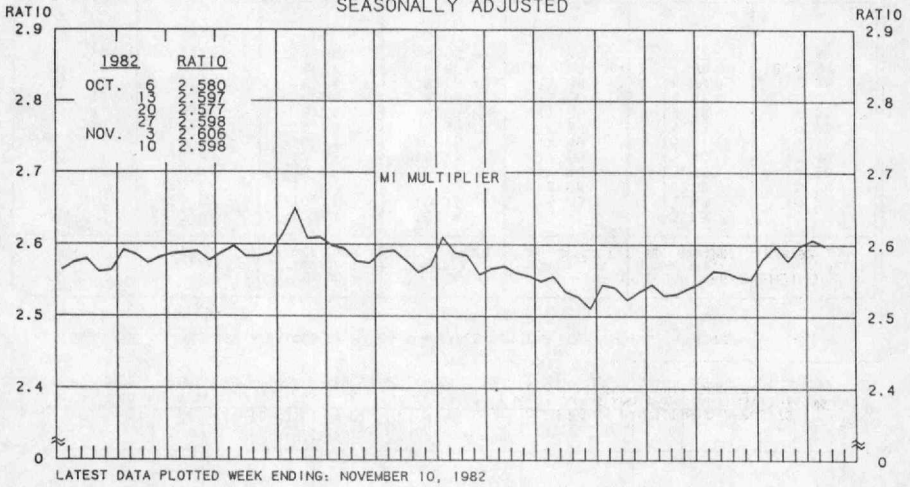
MONEY STOCK (M1)

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

	11/11/81	2/10/82	4/7/82	5/12/82	6/9/82	7/7/82	8/11/82	9/8/82
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/ 7/82	8.7							
5/12/82	8.2	3.3						
6/ 9/82	7.5	3.2	5.0					
7/ 7/82	5.6	1.0	0.8	-2.6				
8/11/82	5.6	1.8	2.1	0.4	-0.8			
9/ 8/82	6.5	3.7	4.5	4.0	4.2	10.2		
10/13/82	7.3	5.0	6.2	6.1	6.8	11.4	14.9	
11/10/82	8.5	6.9	8.4	8.8	9.8	14.2	17.8	18.4

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

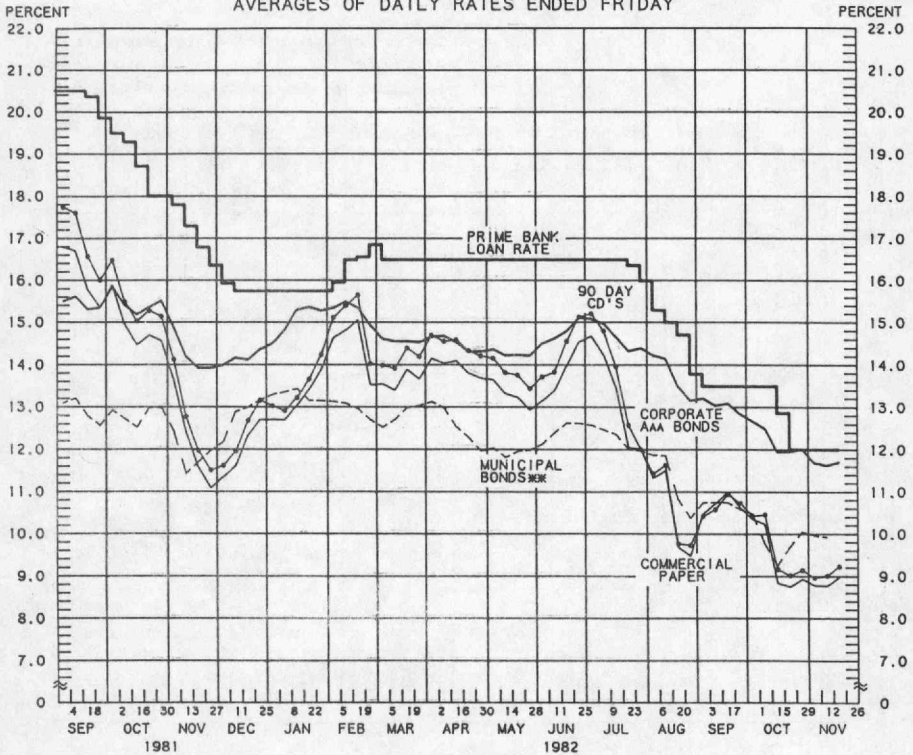


1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE
2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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: NOVEMBER 19, 1982

1982	90 DAY CD'S	PRIME COMMERCIAL PAPER **	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS **
SEP. 3	10.42	10.48	10.18	13.20	15.73	10.74
10	10.58	10.72	10.38	13.03	15.63	10.75
17	10.94	11.00	10.73	13.08	15.72	10.74
24	10.73	10.62	10.52	12.83	15.65	10.58
OCT. 1	10.43	10.35	10.23	12.66	15.40	10.48
8	10.46	10.23	10.15	12.49	15.21	9.75
15	9.16	8.83	8.96	11.94	14.53	9.25
22	9.02	8.75	8.83	11.95	14.48	9.69
29	9.14	8.93	8.98	12.00	14.57	10.05
NOV. 5	8.96	8.78	8.78	11.68	14.44	9.96
12	9.01	8.77	8.85	11.62	14.39	9.92
19 *	9.23	8.98	9.03	11.70	14.27	N.A.
26						

* AVERAGES OF RATES AVAILABLE.

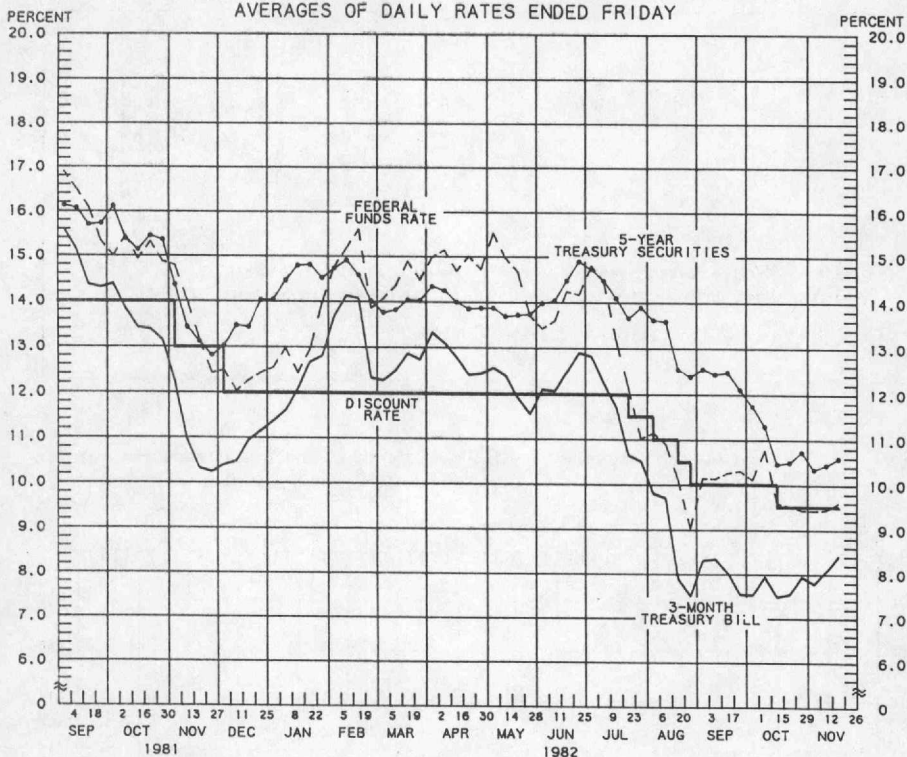
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

*** 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: NOVEMBER 19, 1982

1982	FEDERAL FUNDS RATE %	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
SEP. 3	10.15	8.31	9.75	10.12	12.54	12.16
10	10.14	8.34	9.61	10.09	12.43	12.03
17	10.27	8.03	9.70	10.12	12.47	12.02
24	10.31	7.53	9.44	9.77	12.11	11.68
OCT. 1	10.12	7.52	9.20	9.51	11.74	11.54
8	10.77	7.93	9.23	9.24	11.29	11.28
15	9.60	7.48	7.73	8.19	10.46	10.50
22	9.53	7.54	7.76	8.28	10.50	10.57
29	9.44	7.93	8.47	8.58	10.73	10.74
NOV. 5	9.43	7.78	8.23	8.36	10.34	10.31
12	9.45	8.07	8.40	8.47	10.44	10.39
19 *	9.61	8.40	8.54	8.54	10.59	10.51
26						

* 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

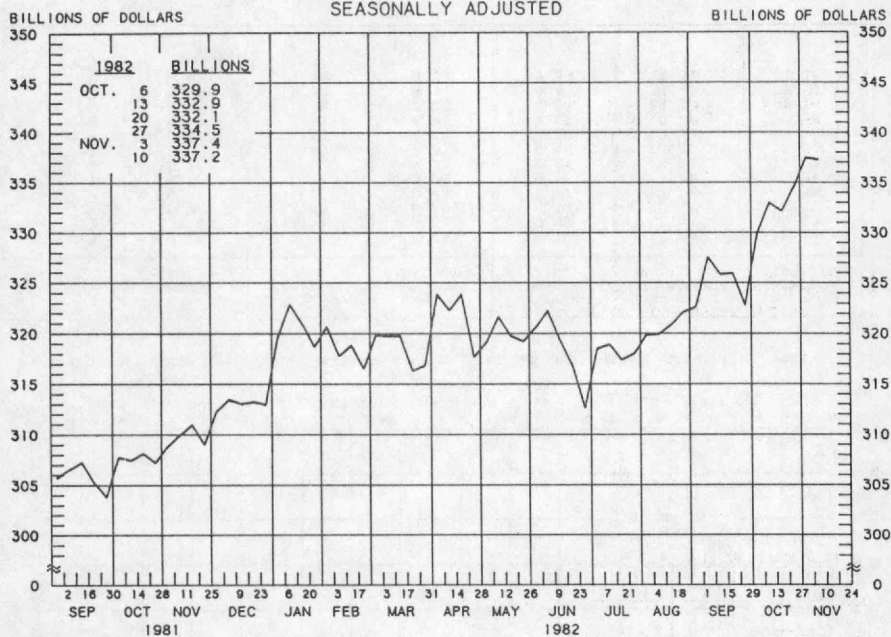
***** RATES ON LONG-TERM TREASURY SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.

TREASURY BILL YIELDS ON DISCOUNT BASIS.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

TOTAL CHECKABLE DEPOSITS ^{1/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 10, 1982

^{1/} DEMAND DEPOSITS PLUS OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS

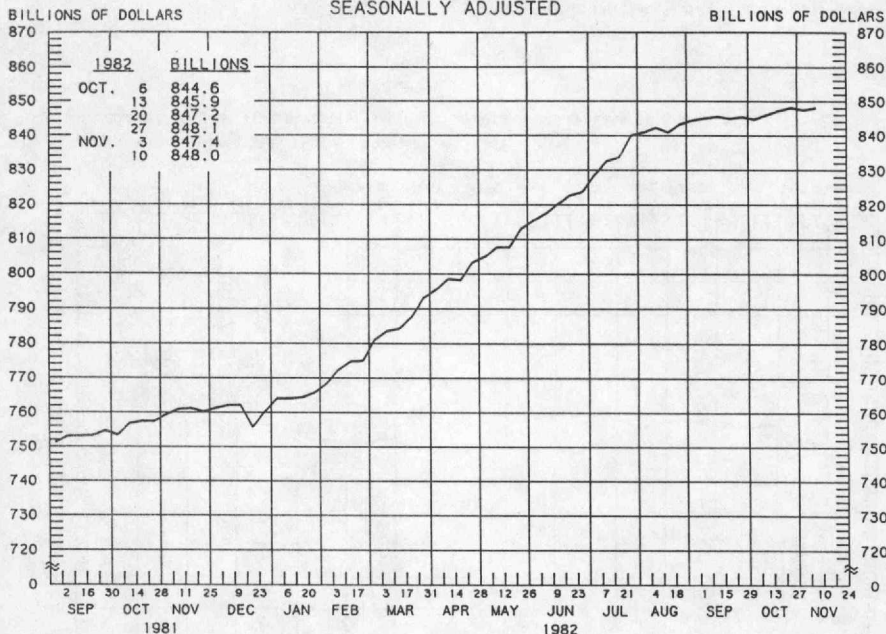
TOTAL CHECKABLE DEPOSITS

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

	11/11/81	2/10/82	4/7/82	5/12/82	6/9/82	7/7/82	8/11/82	9/8/82
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/ 7/82	8.8							
5/12/82	8.0	1.4						
6/ 9/82	6.8	0.9	2.2					
7/ 7/82	4.1	-2.1	-3.0	-7.5				
8/11/82	4.5	-0.4	-0.4	-2.2	-2.9			
9/ 8/82	5.8	2.1	3.1	2.6	3.7	12.5		
10/13/82	6.8	3.9	5.3	5.5	6.9	13.6	17.7	
11/10/82	8.7	6.6	8.6	9.4	11.3	17.8	22.4	23.4

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



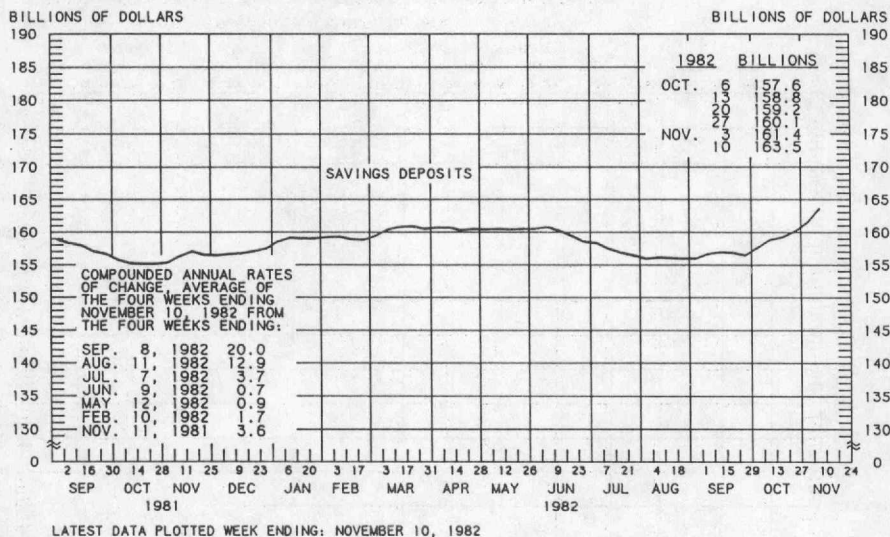
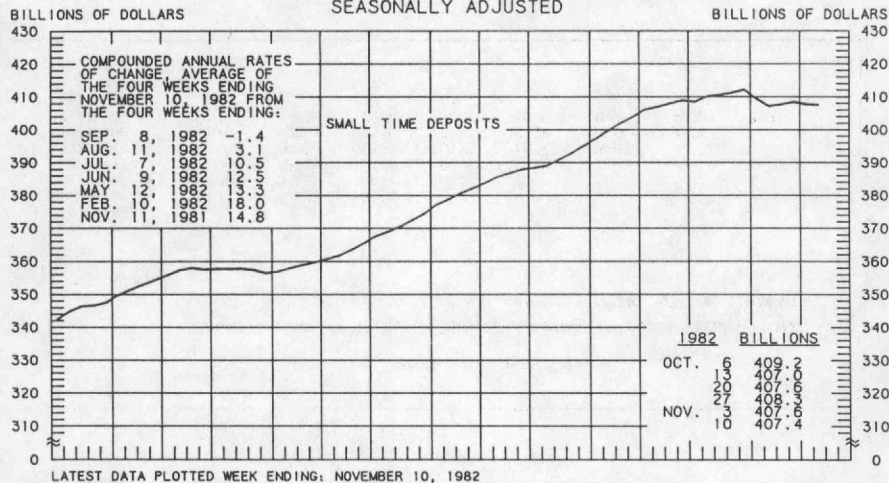
LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 10, 1982

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:	11/11/81	2/10/82	4/7/82	5/12/82	6/9/82	7/7/82	8/11/82	9/8/82
4/ 7/82	10.6							
5/12/82	12.2	20.1						
6/ 9/82	12.8	19.4	18.2					
7/ 7/82	13.4	19.1	18.1	17.5				
8/11/82	14.4	19.5	19.0	18.9	19.8			
9/ 8/82	13.6	17.7	16.7	15.9	15.6	14.6		
10/13/82	12.4	15.4	13.9	12.7	11.8	10.0	4.3	
11/10/82	11.7	14.2	12.5	11.3	10.3	8.7	4.2	3.1

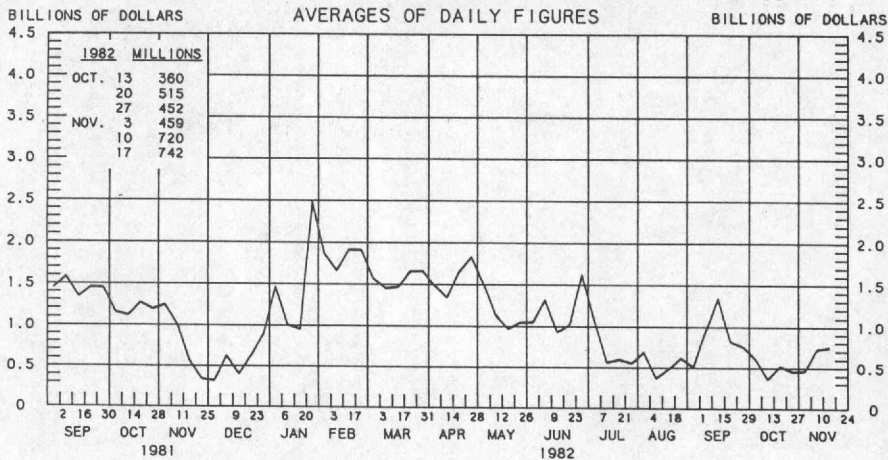
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SMALL TIME DEPOSITS ^{1/}
 COMMERCIAL BANK SAVINGS DEPOSITS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



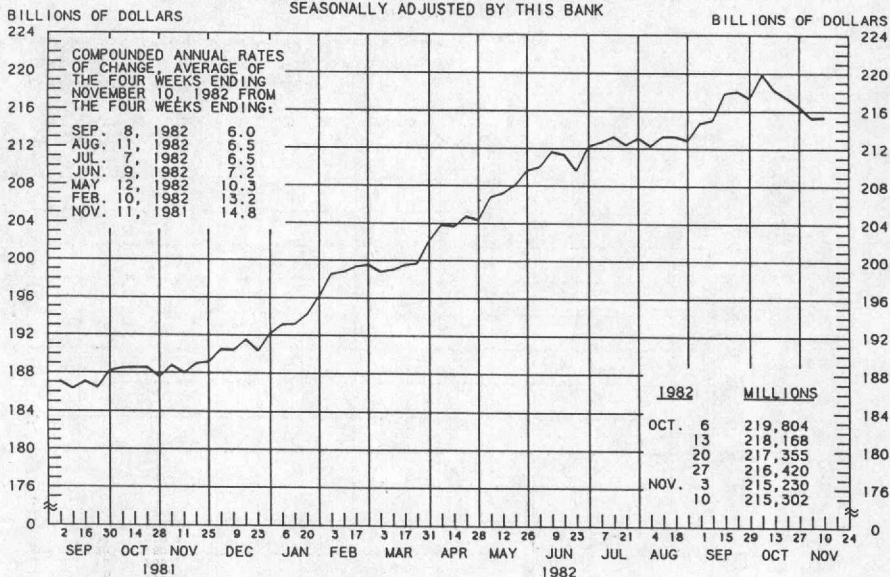
^{1/} COMMERCIAL BANK TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000.

BORROWINGS FROM FEDERAL RESERVE BANKS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 1982

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



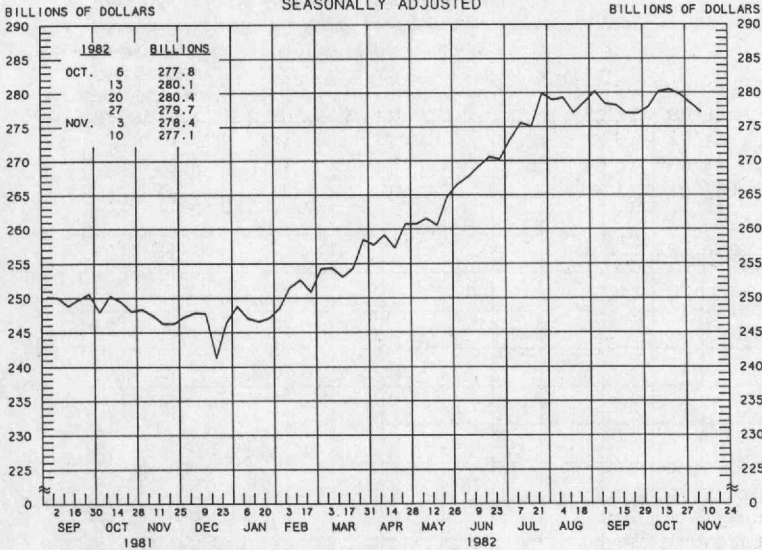
LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 10, 1982

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: NOVEMBER 10, 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