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U.S. Financial Data

Federal Reserve Bank of St. Louis

April 15, 1983

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APR 18 1983

It is commonly argued that, all other things equal, an increase in the rate of money growth leads to lower market interest rates while a decrease leads to higher interest rates. This short-run or "liquidity" effect generally is short-lived, however, as evidenced by the table below. For example, the dramatic increase in the rate of M1 growth beginning in November 1981 initially was accompanied by a 250-300 basis point decline in short-term interest rates. As this accelerated money growth continued for the next two months, however, short-term rates rose. The past eight months of relatively rapid money growth also fits this scenario. The initial acceleration of money growth in August 1982 was associated with a marked decline in short-term rates of about 300 basis points. Money growth then increased to about a 15 percent rate over the next three months and short-term rates continued their decline. Since November, although M1 has continued to grow at about a 15 percent rate, short-term rates have remained relatively stable.

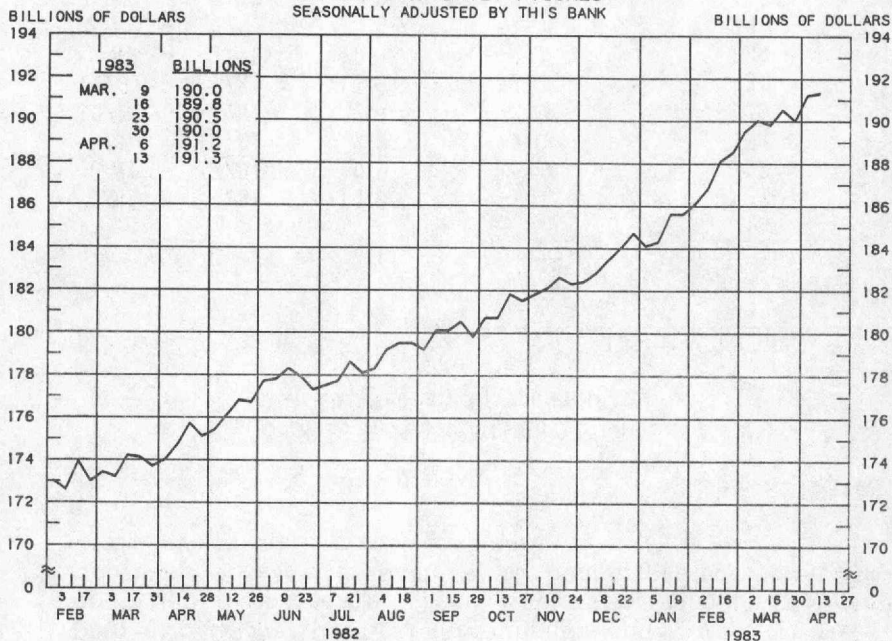
--Dallas S. Batten

Growth Rates of M1 and Changes in Short-Term Interest Rates

Period	M1	Changes in	
		90-day CD rate ^{1/}	30-day commercial paper rate ^{1/}
2/81 - 4/81	14.8%	-106	-102
4/81 - 5/81	0.0	319	312
5/81 - 10/81	2.0	-288	-311
10/81 - 11/81	7.4	-291	-245
11/81 - 1/82	17.5	103	55
1/82 - 2/82	0.5	149	172
2/82 - 7/82	3.5	-156	-200
7/82 - 8/82	10.8	-283	-312
8/82 - 11/82	14.4	-166	-84
11/82 - 3/83	15.8	-26	-10

^{1/} Changes in basis points.

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:

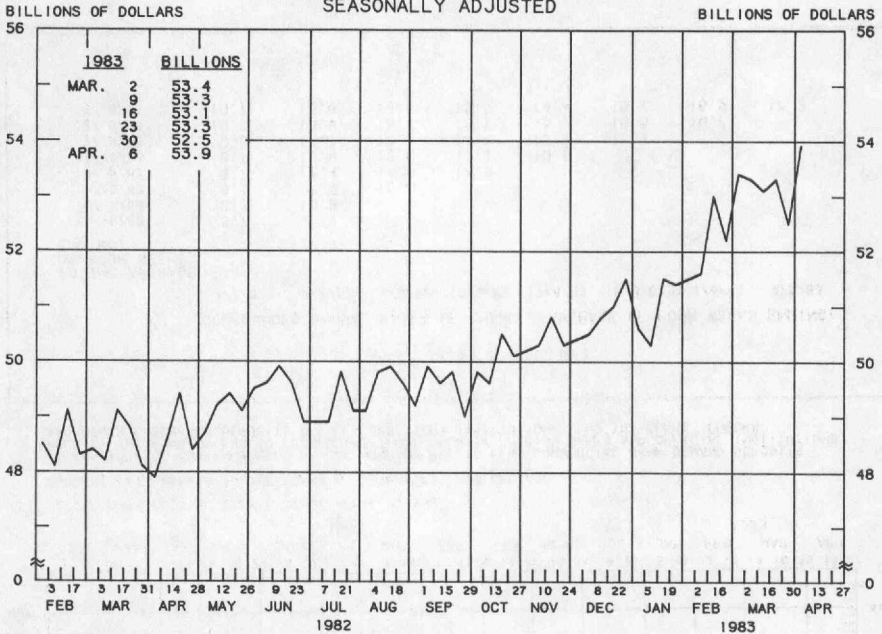
4/14/82 7/14/82 9/15/82 10/13/82 11/10/82 12/15/82 1/12/83 2/16/83

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

9/15/82	7.8						
10/13/82	7.4	6.5					
11/10/82	7.8	7.4	7.8				
12/15/82	7.4	6.9	6.8	7.6			
1/12/83	7.9	7.7	8.0	8.9	8.2		
2/16/83	8.6	8.7	9.5	10.4	10.4	13.3	
3/16/83	9.6	10.1	11.2	12.3	12.7	15.7	17.4
4/13/83	9.6	10.0	10.9	11.9	12.1	14.2	14.9 15.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED RESERVES AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: APRIL 6, 1983

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

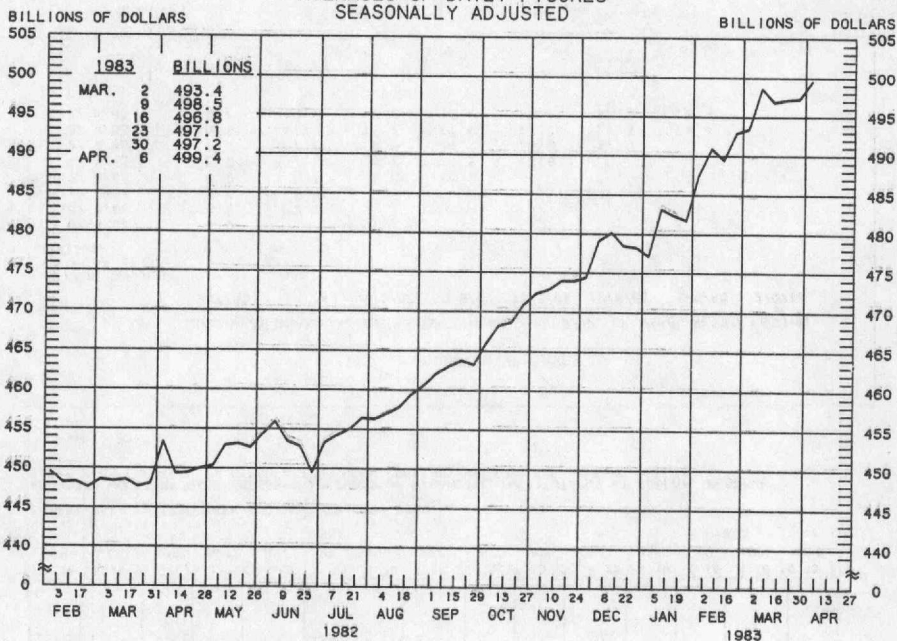
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	4/7/82	7/7/82	9/8/82	10/6/82	11/3/82	12/8/82	1/5/83	2/9/83
TO THE AVERAGE OF FOUR WEEKS ENDING:								
9/ 8/82	5.9							
10/ 6/82	4.6	2.5						
11/ 3/82	5.8	5.0	5.3					
12/ 8/82	6.2	5.8	6.6	10.9				
1/ 5/83	6.9	7.0	8.2	11.8	10.8			
2/ 9/83	7.4	7.6	8.8	11.5	10.8	12.0		
3/ 9/83	10.1	11.4	13.7	17.0	17.7	21.3	24.9	
4/ 6/83	9.7	10.7	12.5	15.0	15.2	17.3	18.4	23.5

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MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: APRIL 6, 1983

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.

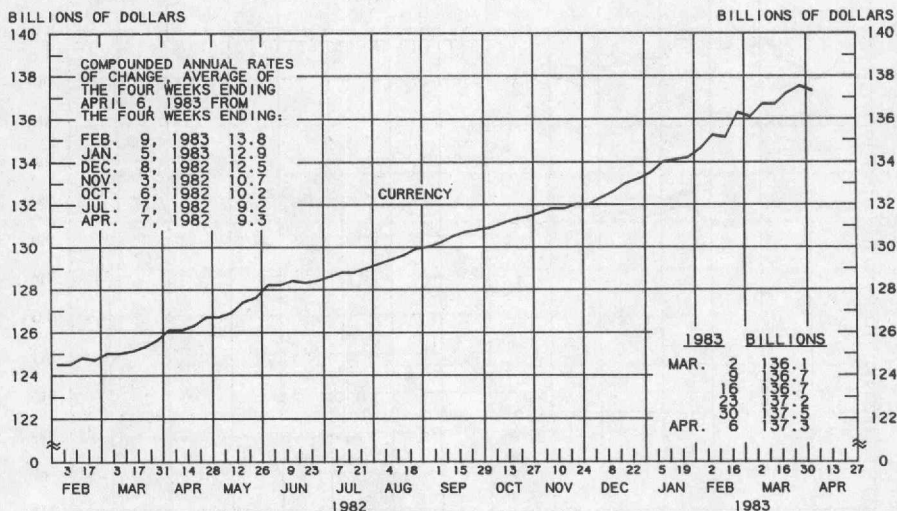
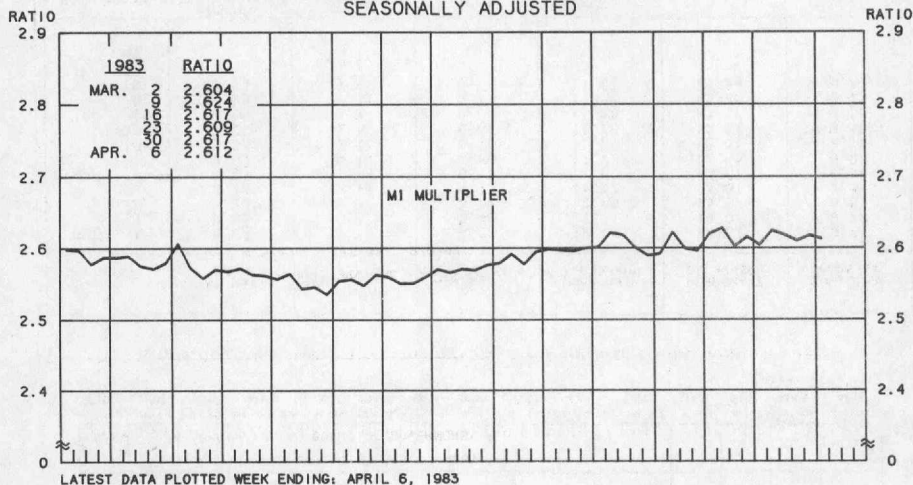
MONEY STOCK (M1)

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

	4/7/82	7/7/82	9/8/82	10/6/82	11/3/82	12/8/82	1/5/83	2/9/83
TO THE AVERAGE OF FOUR WEEKS ENDING:								
9/ 8/82	5.7							
10/ 6/82	6.6	10.8						
11/ 3/82	8.1	12.5	15.0					
12/ 8/82	8.7	12.4	14.0	14.9				
1/ 5/83	8.7	11.9	12.8	13.1	10.9			
2/ 9/83	9.6	12.7	13.7	14.0	12.9	13.2		
3/ 9/83	10.7	13.9	15.1	15.7	15.2	16.3	19.7	
4/ 6/83	10.7	13.6	14.6	15.0	14.4	15.1	16.9	17.2

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



LATEST DATA PLOTTED WEEK ENDING: APRIL 6, 1983

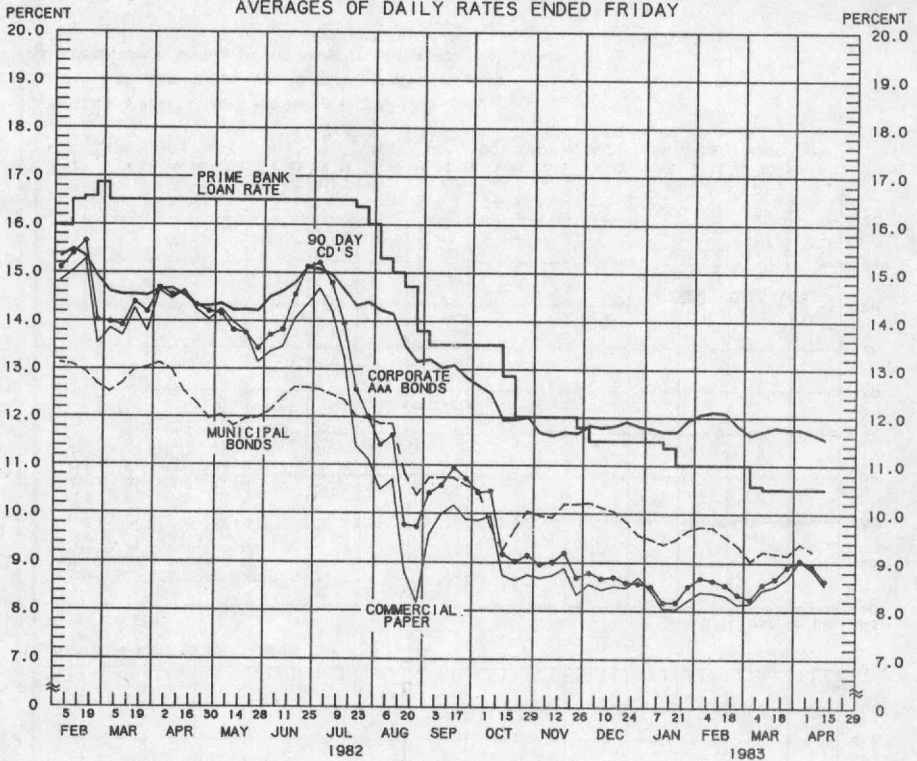
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

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



1983	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ***
FEB. 4	8.68	8.39	8.55	12.06	14.01	9.74
11	8.63	8.37	8.49	12.11	14.02	9.72
18	8.54	8.32	8.37	12.08	13.97	9.53
25	8.34	8.14	8.19	11.82	13.81	9.34
MAR. 4	8.24	8.16	8.13	11.63	13.67	9.04
11	8.55	8.44	8.46	11.72	13.85	9.22
18	8.67	8.51	8.56	11.79	13.61	9.19
25	8.91	8.68	8.81	11.76	13.58	9.15
APR. 1	9.05	9.04	8.88	11.75	13.56	9.38
8	8.93	8.86	8.77	11.66	13.46	9.23
15 *	8.63	8.54	8.54	11.55	13.34	N.A.
22						
29						

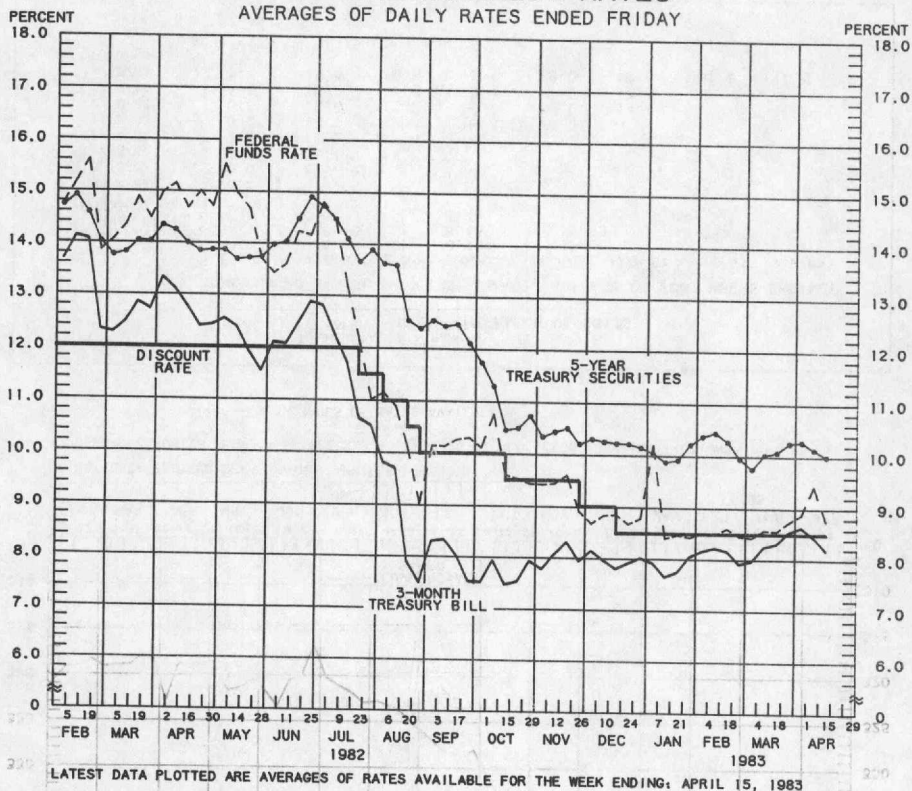
* AVERAGES OF RATES AVAILABLE.

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

N.A. - NOT AVAILABLE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SELECTED INTEREST RATES AVERAGES OF DAILY RATES ENDED FRIDAY

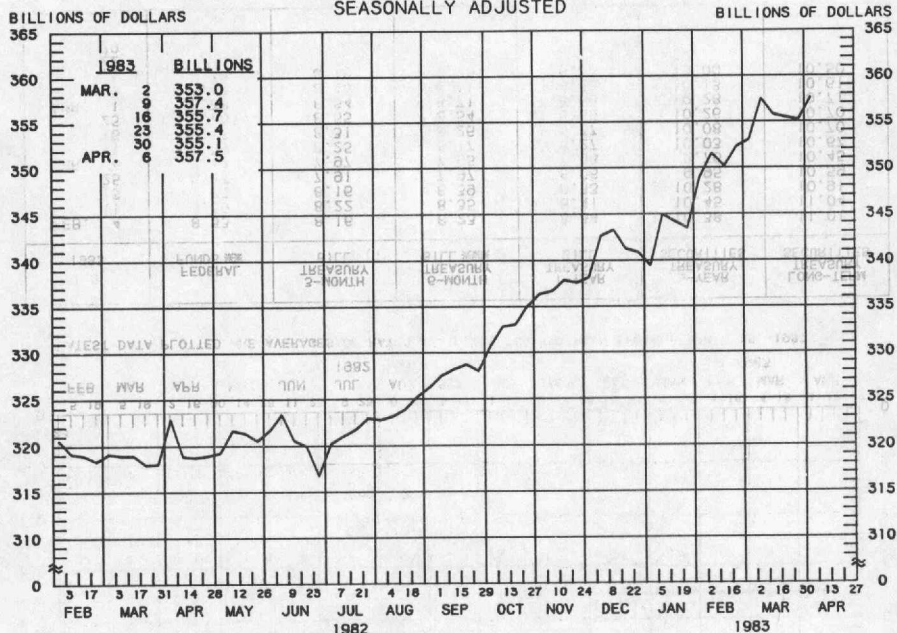


1983	FEDERAL FUNDS RATE	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
FEB. 4	8.53	8.16	8.23	8.34	10.38	11.01
11	8.50	8.22	8.35	8.41	10.45	11.04
18	8.62	8.16	8.39	8.33	10.28	10.91
25	8.47	7.91	7.97	8.06	9.95	10.59
MAR. 4	8.44	7.97	7.95	7.98	9.76	10.45
11	8.59	8.25	8.17	8.27	10.03	10.67
18	8.57	8.31	8.26	8.37	10.08	10.70
25	8.75	8.55	8.54	8.55	10.26	10.70
APR. 1	8.88	8.64	8.71	8.60	10.28	10.71
8	9.43	8.45	8.71	8.46	10.13	10.61
15 *	8.76	8.18	8.25	8.27	10.00	10.50
22						
29						

* 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: APRIL 6, 1983

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

TOTAL CHECKABLE DEPOSITS

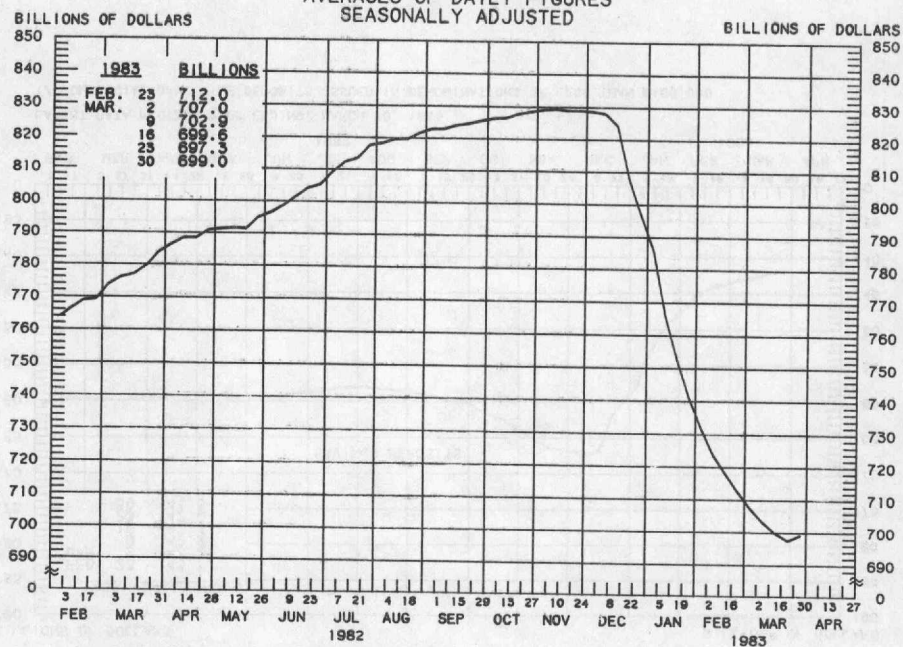
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	4/7/82	7/7/82	9/8/82	10/6/82	11/3/82	12/8/82	1/5/83	2/9/83
9/ 8/82	4.7							
10/ 6/82	6.0	12.6						
11/ 3/82	8.2	15.1	18.5					
12/ 8/82	9.3	15.2	17.4	19.1				
1/ 5/83	9.2	14.2	15.3	15.8	12.5			
2/ 9/83	10.3	15.0	16.2	16.7	14.9	14.4		
3/ 9/83	11.5	16.2	17.6	18.4	17.2	17.8	22.1	
4/ 6/83	11.4	15.6	16.6	17.1	16.0	16.0	18.4	17.9

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TOTAL TIME DEPOSITS 1/ ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 30, 1983

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

MMDAs, MMMFs and "SUPER NOWs"
(billions of dollars, not seasonally adjusted)

	MMDAs 1/	MMMFs 2/	"SUPER NOWs" 3/
Mar. 2	\$300.5	\$202.0	\$24.5
9	311.2	199.4	25.9
16	319.6	197.8	26.5
23	325.2	196.2	26.8
30	328.8	193.7	27.0
Apr. 6	333.3	191.9	27.4

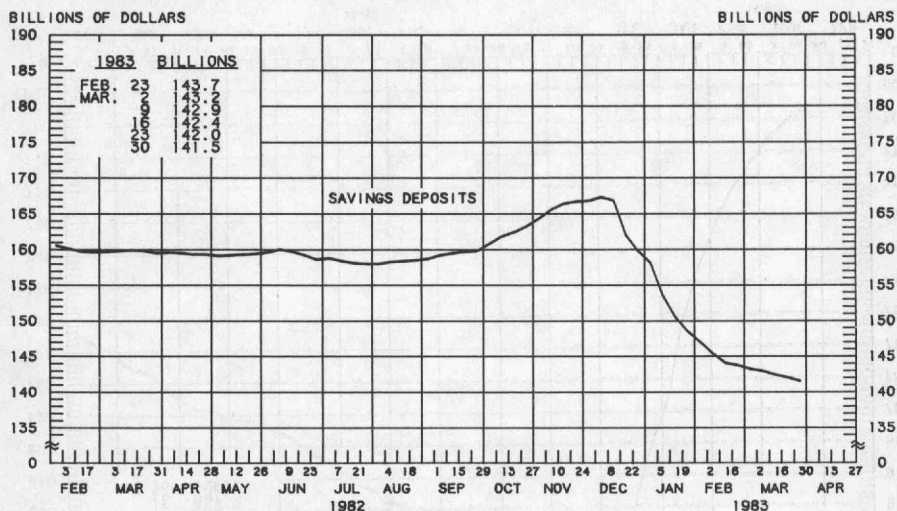
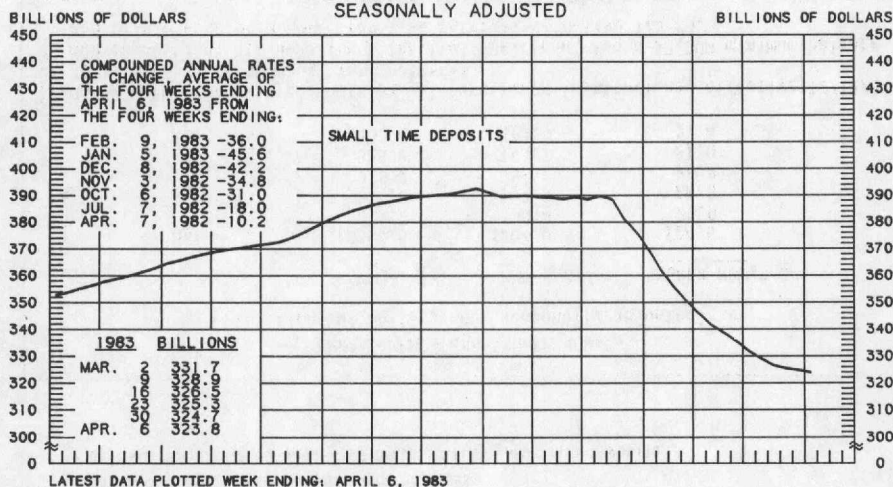
1/ Money market deposit accounts at all depository institutions, effective 12/14/82.
2/ Total money market mutual fund balances.

3/ NOW accounts at all depository institutions, requiring a \$2,500 minimum balance and eligible to earn more than 5.25 percent, effective 1/5/83.

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SMALL TIME DEPOSITS COMMERCIAL BANK SAVINGS DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

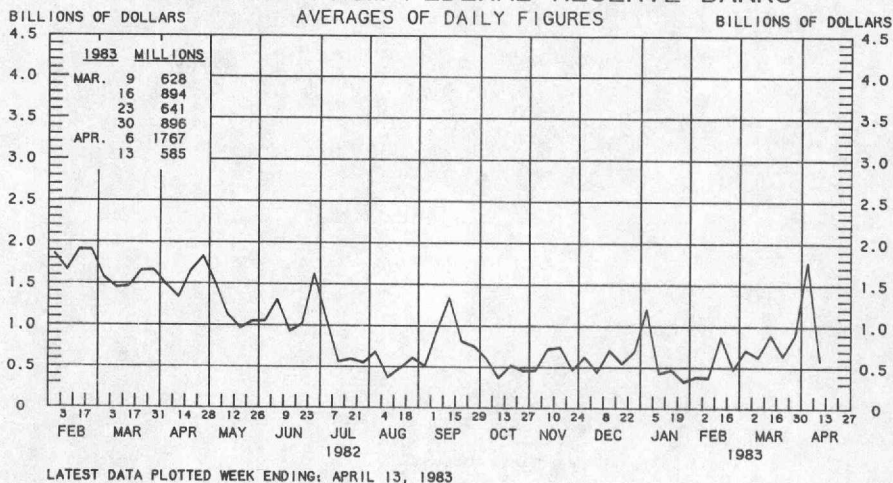


LATEST DATA PLOTTED WEEK ENDING: MARCH 30, 1983

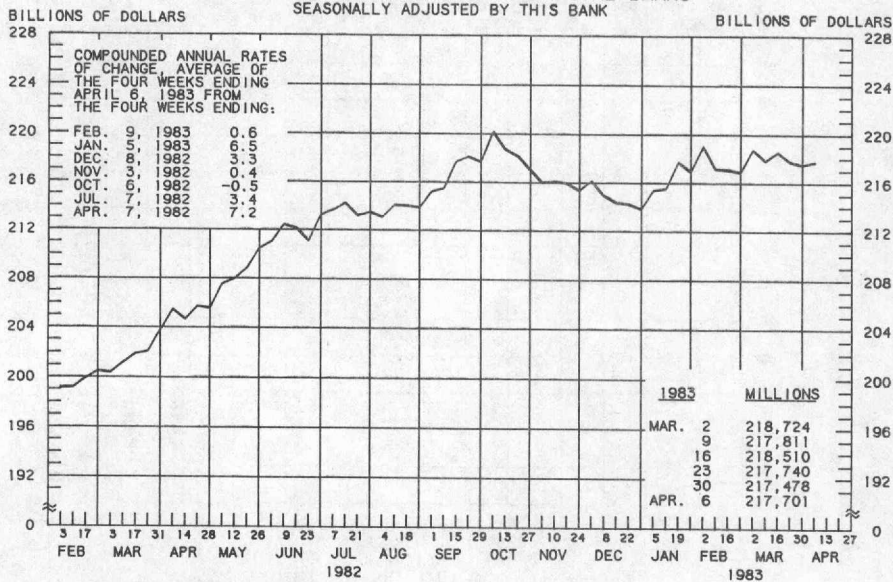
1/ COMMERCIAL BANK TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000.

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BORROWINGS FROM FEDERAL RESERVE BANKS



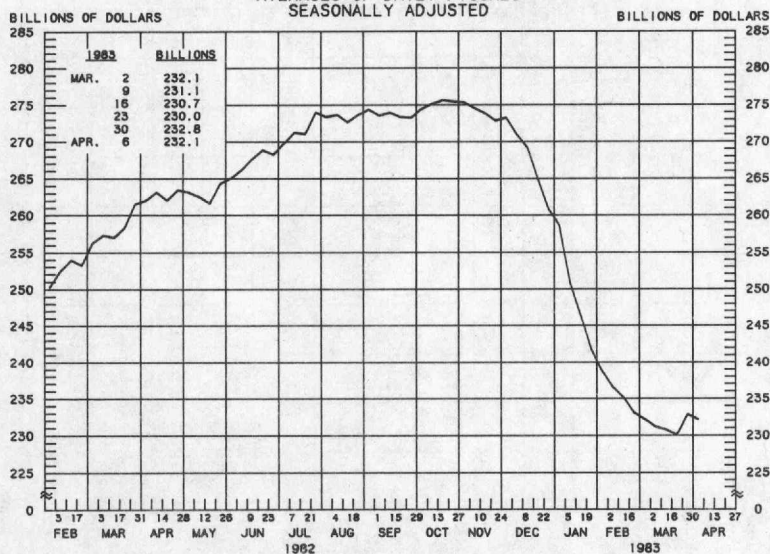
BUSINESS LOANS^{1/} (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS^{2/} SEASONALLY ADJUSTED BY THIS BANK



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: APRIL 6, 1983

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