

U.S. Financial Data

Federal Reserve Bank of St. Louis

May 13, 1983

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MAY 16 1983

Over the last 12 months, the yield on tax-exempt municipal bonds has fallen relative to yields on bonds subject to federal income taxes. For example, from April 1982 to April 1983, the municipal bond rate fell about 350 basis points, while the corporate Aaa bond rate fell about 300 basis points. The ratio of the municipal bond rate to the corporate bond rate should remain constant if tax, risk and maturity considerations remain unchanged.

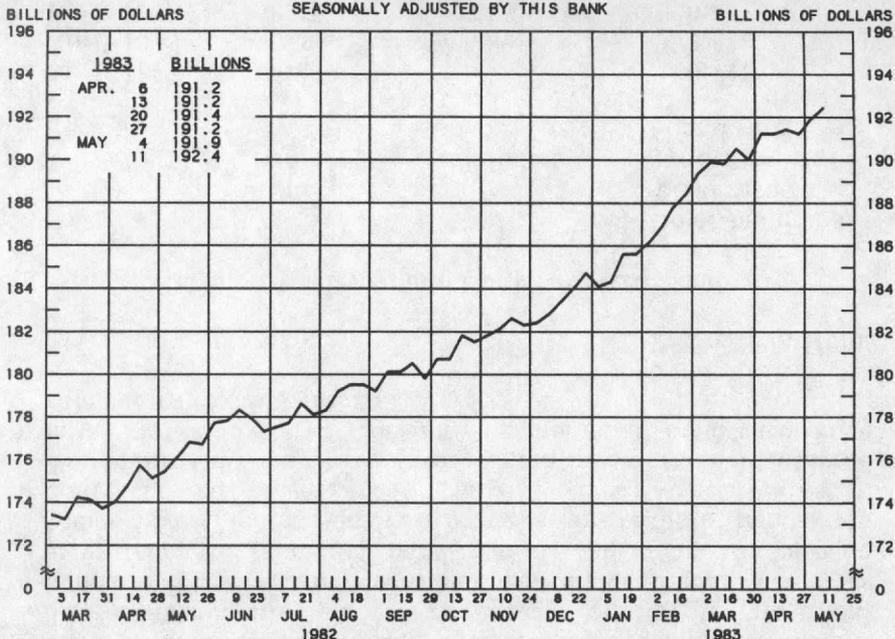
The table below shows, however, that the ratio of these two yields rose from 1980 to 1982. It is likely that part of this increase was due to features of the 1981 tax act, which introduced tax preferential instruments, such as the All Saver's Certificate and the Individual Retirement Account. These instruments had tax advantages similar to municipal bonds, and their introduction may have induced some investors away from the municipal bond market, driving up the rate on these investments relative to rates on taxable bonds. In contrast, the cessation of the All Saver's Certificates in December 1982 may have forced some investors back into the municipal bond market, driving the municipal bond rate down relative to taxable yields.

--Scott E. Hein

Yields on Municipal and Corporate Aaa Bonds

<u>Period</u>	<u>Corporate Aaa bond rate</u>	<u>Municipal bond rate</u>	<u>Ratio of municipal bond rate to corporate Aaa bond rate</u>
April 1977	8.04%	5.73%	0.713
April 1978	8.56	5.80	0.678
April 1979	9.38	6.29	0.671
April 1980	12.04	8.63	0.717
April 1981	13.88	10.62	0.765
April 1982	14.46	12.59	0.871
April 1983	11.51	9.05	0.786

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



LATEST DATA PLOTTED WEEK ENDING: MAY 11, 1983

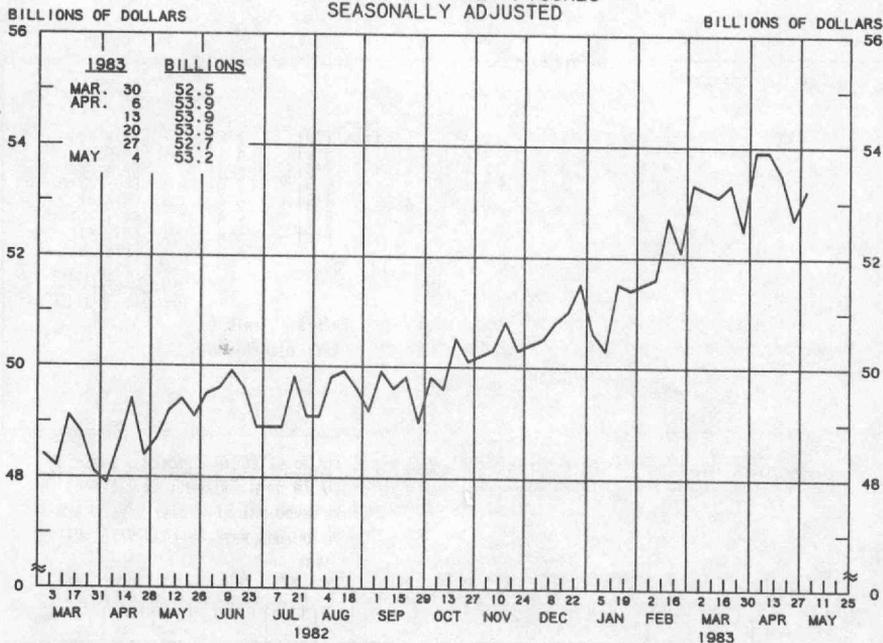
THE ADJUSTED MONETARY BASE CONSISTS OF: (1) RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, (2) CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS), AND (3) AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF 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:									
	5/12/82	8/11/82	10/13/82	11/10/82	12/8/82	1/12/83	2/9/83	3/9/83	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
10/13/82	6.6								
11/10/82	7.2	7.4							
12/ 8/82	6.9	6.8	7.8						
1/12/83	7.4	7.7	8.9	8.2					
2/ 9/83	8.0	8.5	9.8	9.6	11.6				
3/ 9/83	9.2	10.2	12.1	12.4	14.8	17.4			
4/13/83	9.3	10.2	11.7	12.0	13.5	14.6	15.5		
5/11/83	9.2	9.9	11.1	11.2	12.3	12.8	12.8	8.9	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED RESERVES

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 4, 1983

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

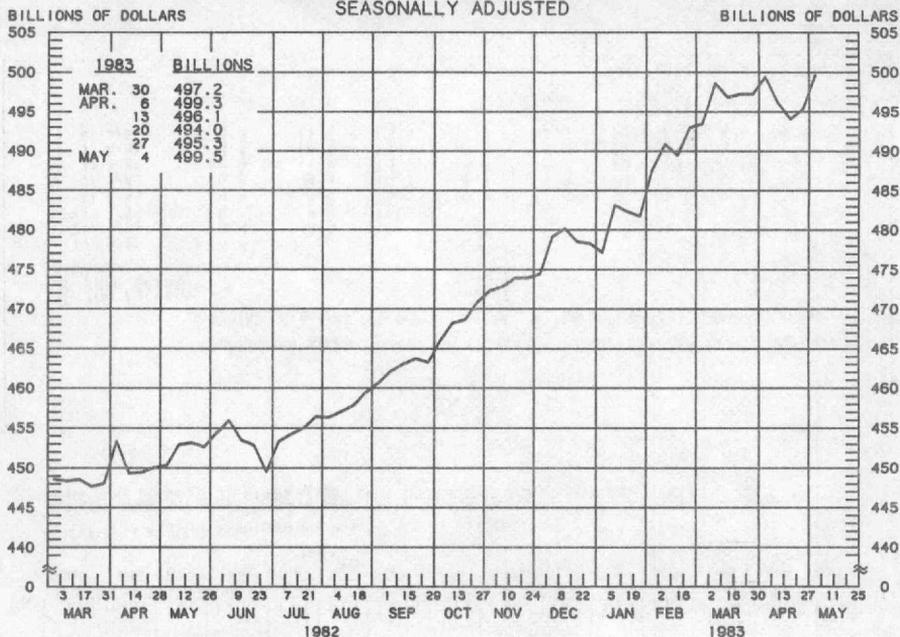
ADJUSTED RESERVES

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	5/5/82	8/4/82	10/6/82	11/3/82	12/1/82	1/5/83	2/2/83	3/2/83
10/ 6/82	3.9							
11/ 3/82	5.4	7.5						
12/ 1/82	6.1	8.3	12.4					
1/ 5/83	6.8	8.9	11.8	10.8				
2/ 2/83	6.6	8.3	10.2	9.1	8.3			
3/ 2/83	9.0	11.5	14.6	14.7	15.9	19.2		
4/ 6/83	9.8	12.3	15.0	15.2	16.2	18.4	24.8	
5/ 4/83	9.2	11.3	13.3	13.2	13.6	14.4	17.4	10.3

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MONEY STOCK (M1) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 4, 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.

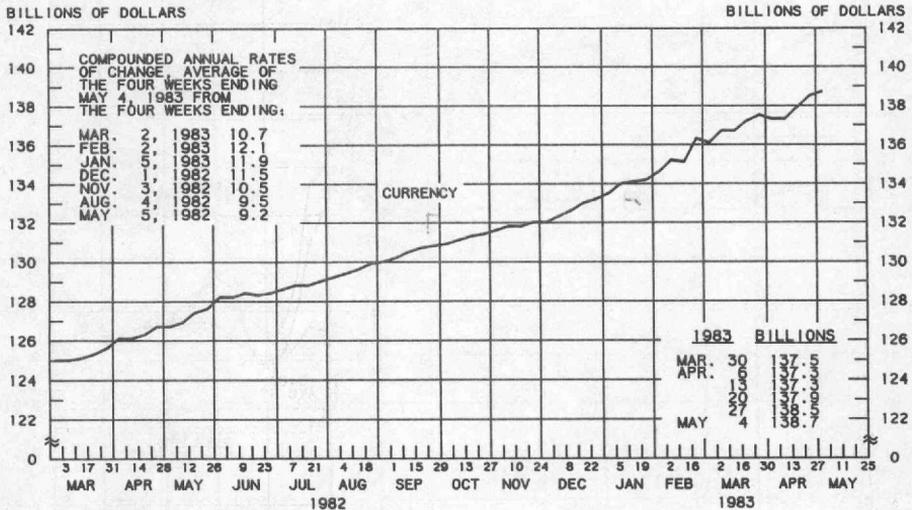
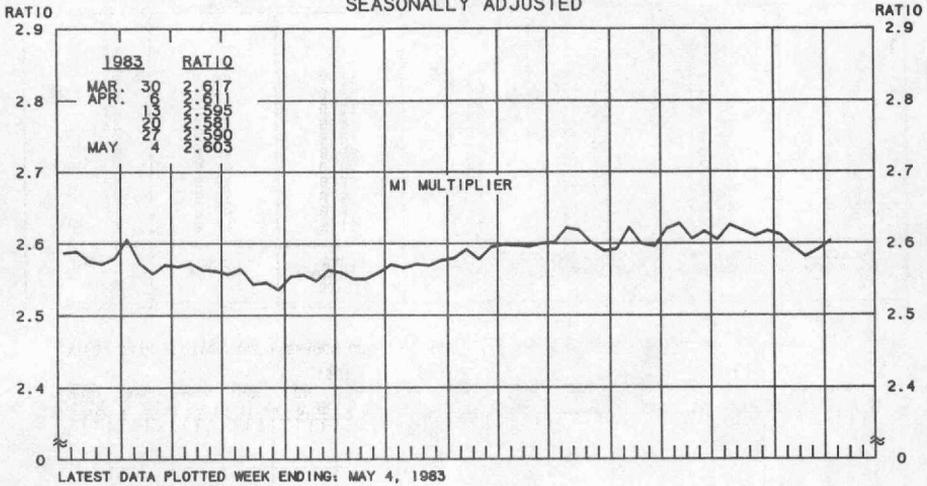
MONEY STOCK (M1)

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

	5/5/82	8/4/82	10/6/82	11/3/82	12/1/82	1/5/83	2/2/83	3/2/83
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 6/82	7.6							
11/ 3/82	9.2	13.4						
12/ 1/82	9.4	12.8	14.6					
1/ 5/83	9.6	12.3	13.1	10.9				
2/ 2/83	10.2	12.8	13.6	12.2	12.7			
3/ 2/83	11.3	14.1	15.4	14.7	15.9	19.2		
4/ 6/83	11.6	14.0	15.0	14.4	15.2	16.9	17.8	
5/ 4/83	10.3	12.1	12.3	11.5	11.5	11.8	10.7	5.5

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

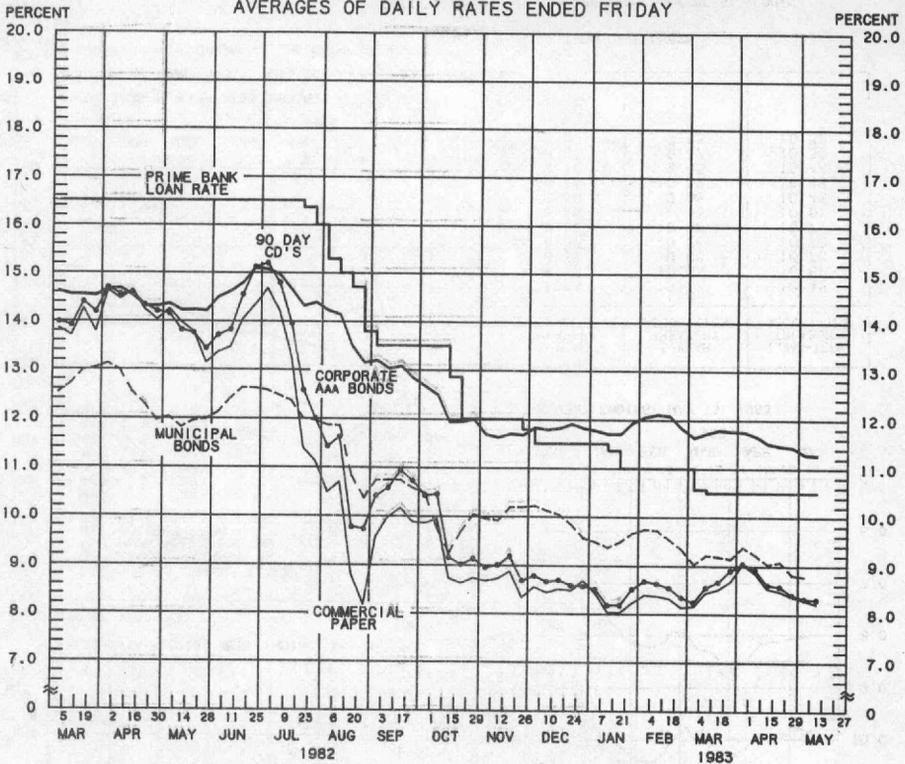


1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE
2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



1983	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ^{***}
MAR. 4	8.24	8.16	8.13	11.63	13.67	9.04
11	8.55	8.44	8.46	11.72	13.65	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	8.61	8.53	8.52	11.51	13.31	9.04
22	8.57	8.47	8.48	11.46	13.25	9.09
29	8.40	8.36	8.33	11.43	13.16	8.82
MAY 6	8.32	8.29	8.20	11.29	12.99	8.78
13 ^{**}	8.30	8.21	8.19	11.27	12.91	N.A.
20						
27						

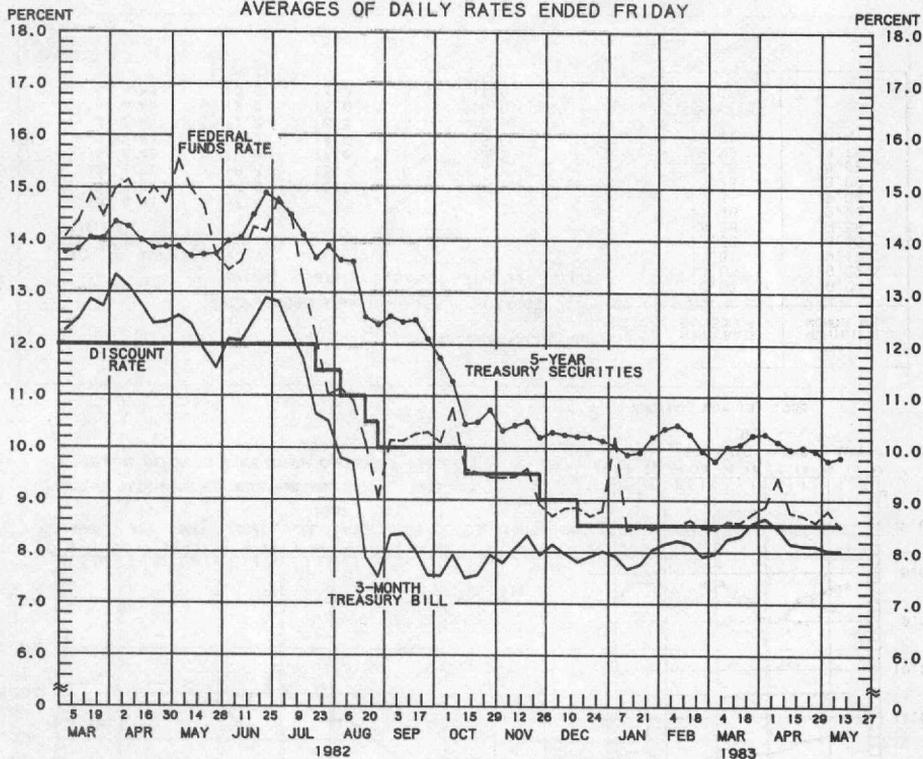
^{**} AVERAGES OF RATES AVAILABLE.

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

N.A. - NOT AVAILABLE

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SELECTED INTEREST RATES AVERAGES OF DAILY RATES ENDED FRIDAY



1983	FEDERAL FUNDS %**	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %***	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	8.16	8.25	8.26	9.98	10.45
22	8.70	8.12	8.20	8.29	10.02	10.48
29	8.58	8.11	8.22	8.16	9.95	10.44
MAY 6	8.80	8.03	8.05	8.00	9.77	10.30
13 *	8.48	8.03	8.13	8.02	9.83	10.32
20						
27						

* 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.

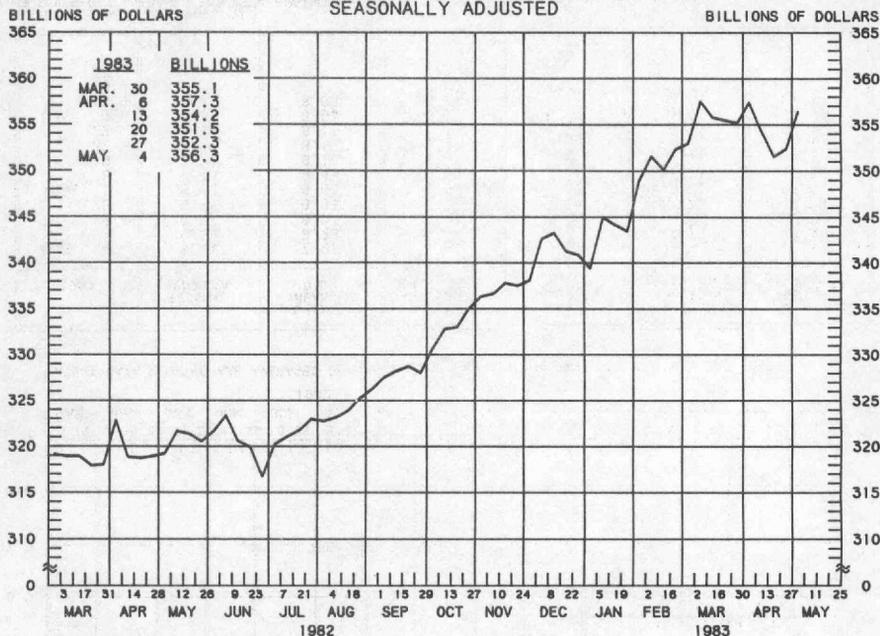
*** NEW ISSUE RATE

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: MAY 4, 1983

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

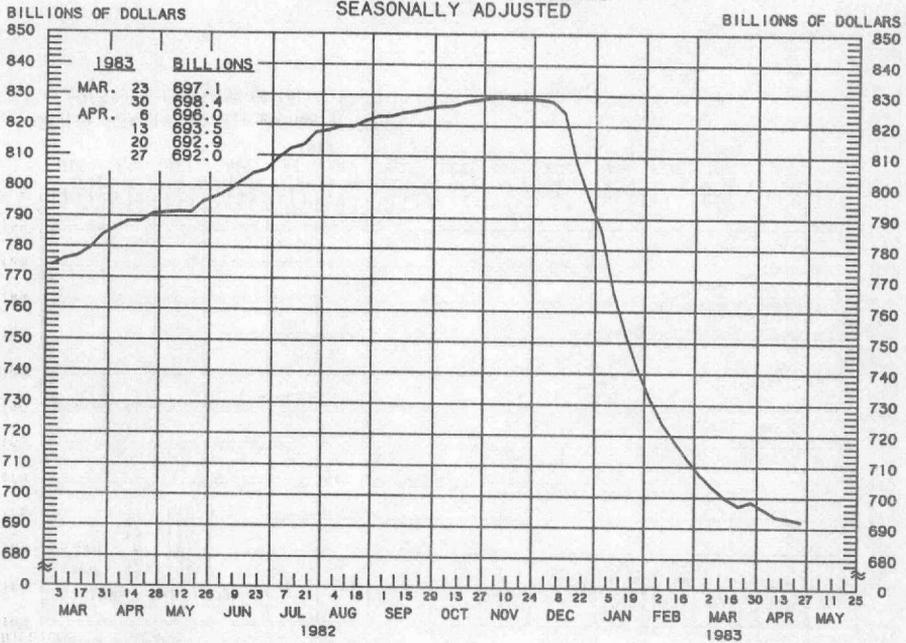
TOTAL CHECKABLE DEPOSITS

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

	5/5/82	8/4/82	10/6/82	11/3/82	12/1/82	1/5/83	2/2/83	3/2/83
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 6/82	7.6							
11/ 3/82	9.9	16.0						
12/ 1/82	10.3	15.4	18.3					
1/ 5/83	10.6	14.6	15.8	12.5				
2/ 2/83	11.2	14.9	16.0	13.8	14.1			
3/ 2/83	12.6	16.5	18.1	16.8	17.9	21.8		
4/ 6/83	12.6	16.0	17.1	16.0	16.6	18.4	19.1	
5/ 4/83	10.9	13.2	13.4	11.9	11.6	11.5	10.0	3.2

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



LATEST DATA PLOTTED WEEK ENDING: APRIL 27, 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.	30	\$329.3	\$194.4	\$27.1
Apr.	6	334.9	192.5	28.7
	13	340.6	190.5	29.4
	20	342.3	186.6	30.1
	27	344.1	183.8	29.1
May	4	347.6	182.2	29.0

^{1/} Money market deposit accounts at all depository institutions, effective 12/14/82.

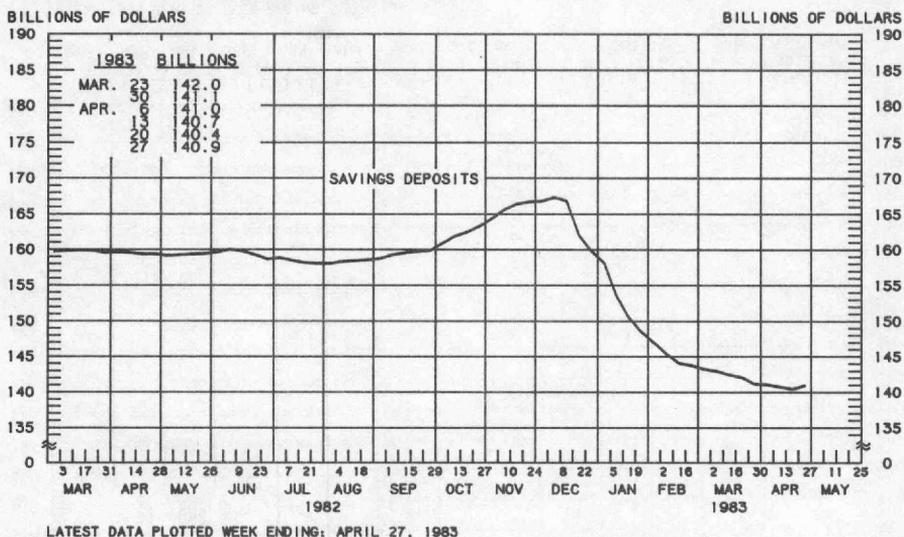
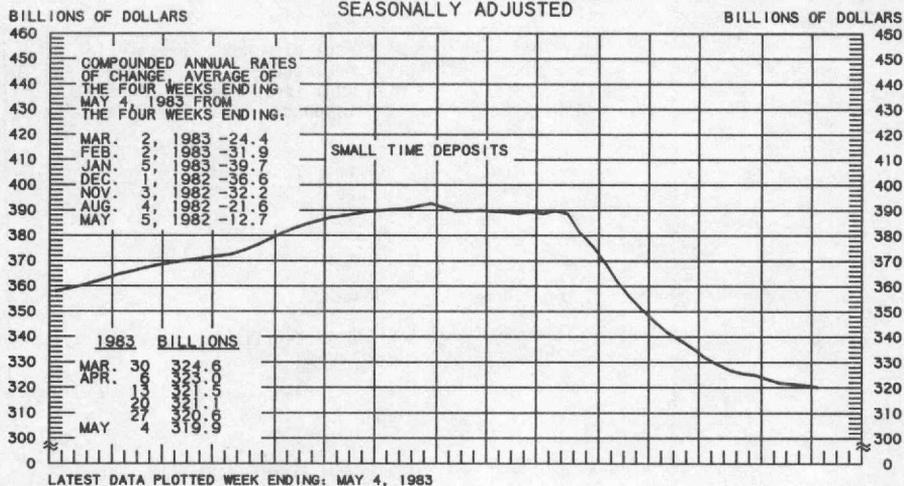
^{2/} Total money market mutual fund balances.

^{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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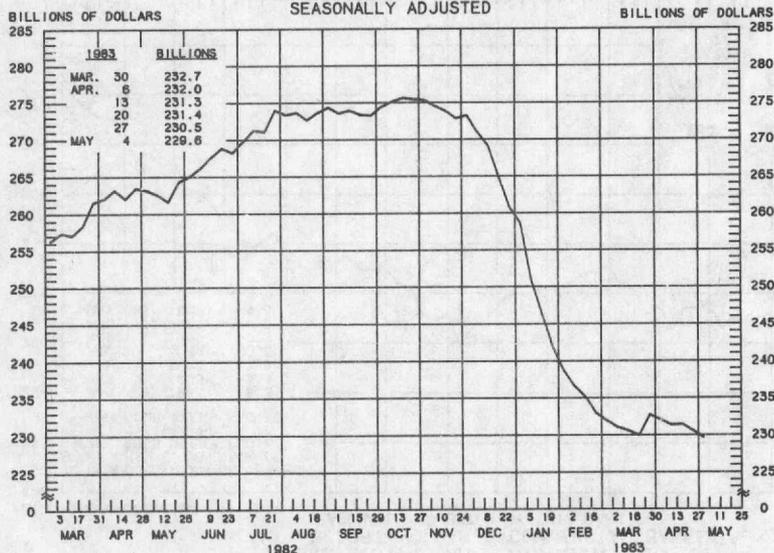
SMALL TIME DEPOSITS ^{1/} COMMERCIAL BANK SAVINGS DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



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

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



LATEST DATA PLOTTED WEEK ENDING: MAY 4, 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