



U.S. Financial Data

Federal Reserve Bank of St. Louis

July 29, 1983

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AUG 1 1983

The income velocity of money—gross national product (GNP) divided by the money stock (M1)—usually accelerates in periods of economic recovery. For example, in the first two quarters of the four previous periods of economic expansion, the growth of velocity ranged from a 3.3 to a 9.9 percent annual rate. In contrast, during the current economic recovery, velocity has decreased at a 2.6 percent rate.

The recent movement in velocity, however, represents a substantial increase from its growth during the recession that ended last year, when velocity declined 5.5 percent. In the first quarter of the recovery, velocity continued to fall. However, in the quarter just ended, velocity showed a slight increase.

The slower expansion of velocity in the first two quarters of the current recovery partly reflects the sharper growth in the money stock compared to previous recoveries. Over the last two quarters, M1 has grown at about a 14 percent rate. This is double the rate experienced in previous recoveries. Since it takes some time for total spending to fully adjust to a monetary impulse, the expansion of income has not kept pace with the rapid growth of money, and velocity, as a result, has been held down.

—Norman N. Bowsher

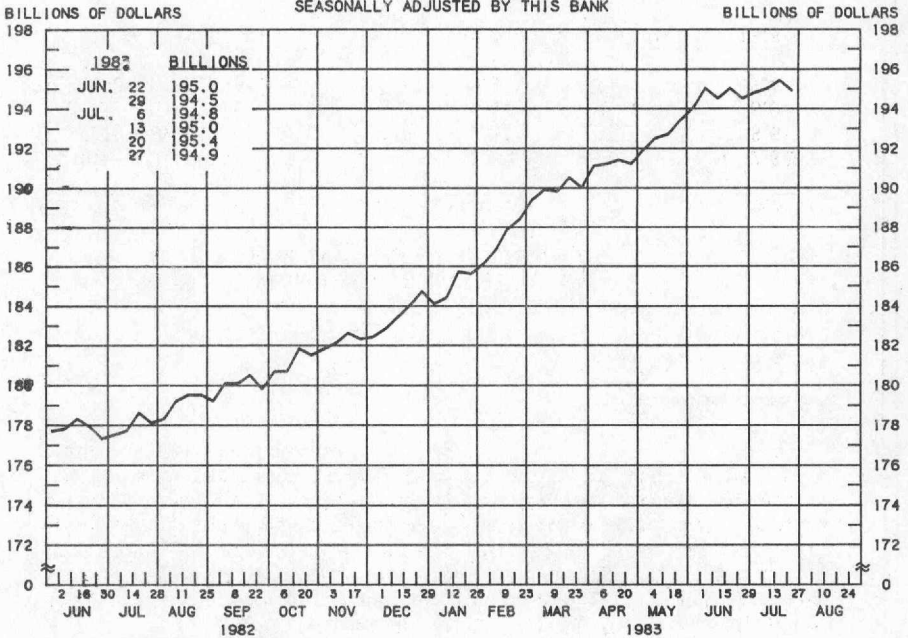
Velocity and Money (M1) Growth First Two Quarters of Recovery^{1/}

| <u>Period</u> | <u>Velocity</u> | <u>M1</u> |
|-------------------|-----------------|-----------|
| I/1961 - III/1961 | 5.1 % | 2.8 % |
| IV/1970 - II/1971 | 3.3 | 8.6 |
| I/1975 - III/1975 | 6.4 | 6.9 |
| III/1980 - I/1981 | 9.9 | 7.4 |
| IV/1982 - II/1983 | -2.6 | 13.8 |

^{1/} Compounded annual rates of seasonally adjusted data.

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.

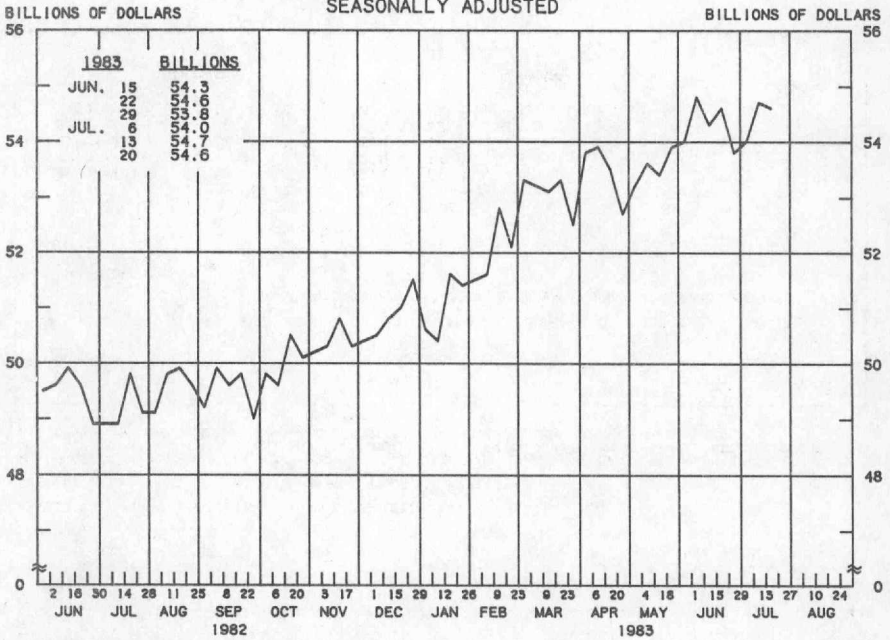
ADJUSTED MONETARY BASE

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

| | 7/28/82 | 10/27/82 | 12/29/82 | 1/26/83 | 3/2/83 | 3/30/83 | 4/27/83 | 5/25/83 |
|--------------------------------------|---------|----------|----------|---------|--------|---------|---------|---------|
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
| 12/29/82 | 7.7 | | | | | | | |
| 1/26/83 | 8.0 | 8.7 | | | | | | |
| 3/ 2/83 | 9.7 | 11.4 | 14.7 | | | | | |
| 3/30/83 | 10.3 | 12.0 | 14.7 | 17.0 | | | | |
| 4/27/83 | 10.0 | 11.3 | 13.0 | 14.1 | 11.2 | | | |
| 5/25/83 | 10.0 | 11.2 | 12.4 | 13.1 | 10.8 | 8.9 | | |
| 6/29/83 | 10.3 | 11.4 | 12.5 | 13.0 | 11.3 | 10.3 | 11.4 | |
| 7/27/83 | 9.6 | 10.3 | 10.9 | 11.1 | 9.3 | 8.1 | 8.2 | 7.4 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED RESERVES AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 20, 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:

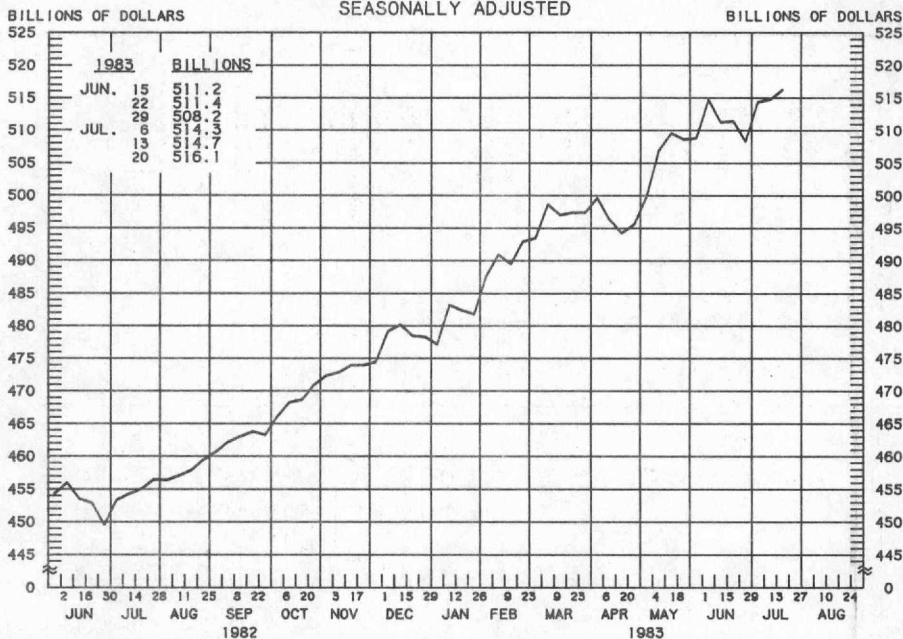
7/21/82 10/20/82 12/22/82 1/19/83 2/23/83 3/23/83 4/20/83 5/18/83

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

| | | | | | | | |
|----------|------|------|------|------|------|-----|------|
| 12/22/82 | 7.9 | | | | | | |
| 1/19/83 | 7.9 | 10.9 | | | | | |
| 2/23/83 | 10.1 | 14.0 | 15.8 | | | | |
| 3/23/83 | 12.7 | 17.5 | 21.2 | 27.6 | | | |
| 4/20/83 | 11.8 | 15.4 | 17.2 | 20.2 | 18.8 | | |
| 5/18/83 | 10.2 | 12.5 | 12.7 | 13.8 | 10.4 | 0.0 | |
| 6/22/83 | 11.7 | 14.4 | 15.1 | 16.5 | 14.8 | 9.3 | 11.3 |
| 7/20/83 | 10.6 | 12.5 | 12.6 | 13.4 | 11.3 | 6.5 | 6.9 |
| | | | | | | | 12.6 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 20, 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:

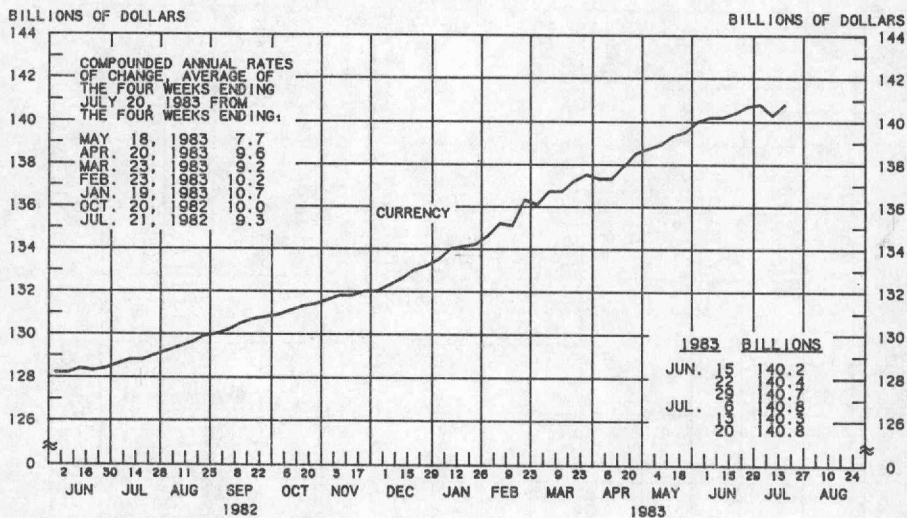
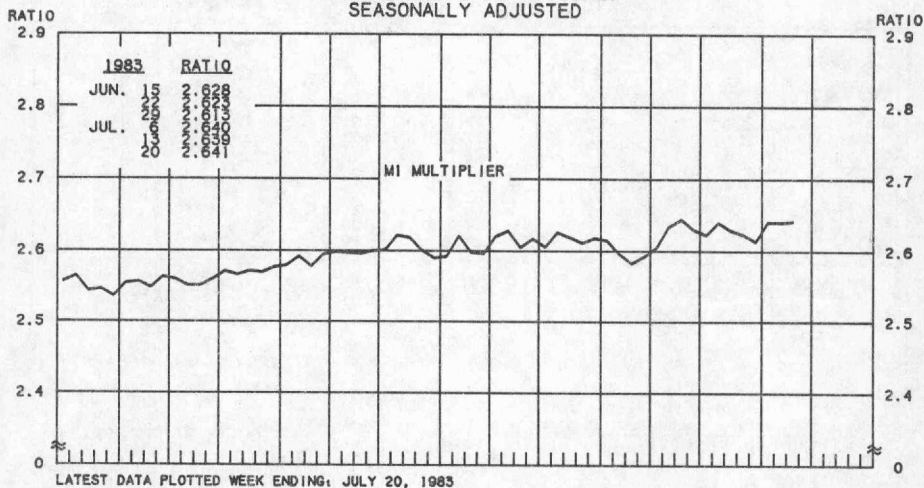
7/21/82 10/20/82 12/22/82 1/19/83 2/23/83 3/23/83 4/20/83 5/18/83

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

| | | | | | | | | |
|----------|------|------|------|------|------|------|------|------|
| 12/22/82 | 13.5 | | | | | | | |
| 1/19/83 | 12.4 | 12.3 | | | | | | |
| 2/23/83 | 14.2 | 15.4 | 15.7 | | | | | |
| 3/23/83 | 14.6 | 15.9 | 16.4 | 21.3 | | | | |
| 4/20/83 | 13.1 | 13.4 | 12.5 | 14.6 | 9.1 | | | |
| 5/18/83 | 13.5 | 13.9 | 13.4 | 15.2 | 11.7 | 8.7 | | |
| 6/22/83 | 14.1 | 14.7 | 14.5 | 16.1 | 13.9 | 12.6 | 18.4 | |
| 7/20/83 | 13.3 | 13.6 | 13.1 | 14.3 | 12.1 | 10.7 | 14.0 | 12.6 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: JULY 20, 1983

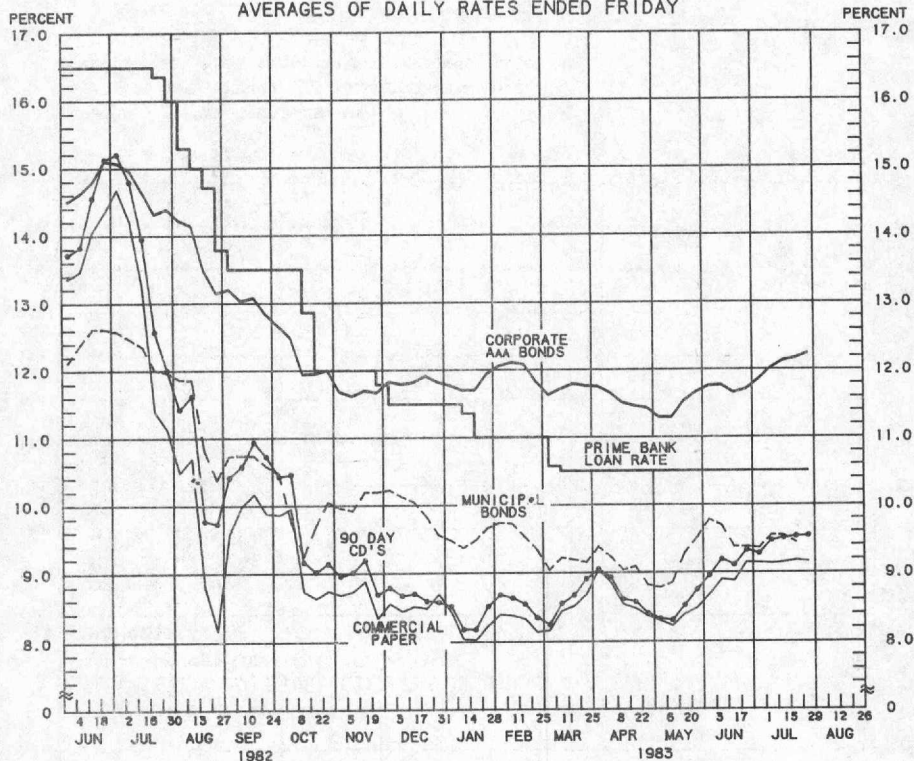
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

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



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 29, 1983

| 1983 | 90 DAY CD'S | 30-DAY COMMERCIAL PAPER | 90-DAY BANKERS' ACCEPTANCES | CORPORATE AAA BONDS | CORPORATE BAA BONDS | MUNICIPAL BONDS |
|--------|-------------|-------------------------|-----------------------------|---------------------|---------------------|-----------------|
| JUNE 3 | 8.96 | 8.68 | 8.83 | 11.76 | 13.40 | 9.78 |
| 10 | 9.19 | 8.90 | 9.14 | 11.77 | 13.41 | 9.69 |
| 17 | 9.11 | 8.68 | 8.99 | 11.66 | 13.31 | 9.38 |
| 24 | 9.33 | 9.15 | 9.23 | 11.71 | 13.34 | 9.38 |
| JULY 1 | 9.28 | 9.14 | 9.15 | 11.85 | 13.39 | 9.36 |
| 8 | 9.47 | 9.13 | 9.33 | 12.02 | 13.42 | 9.55 |
| 15 | 9.51 | 9.15 | 9.44 | 12.13 | 13.41 | 9.54 |
| 22 | 9.53 | 9.18 | 9.44 | 12.17 | 13.36 | 9.44 |
| 29 | 9.54 | 9.16 | 9.43 | 12.24 | 13.36 | N.A. |
| AUG. 5 | | | | | | |
| 12 | | | | | | |
| 19 | | | | | | |
| 26 | | | | | | |

* AVERAGES OF RATES AVAILABLE.

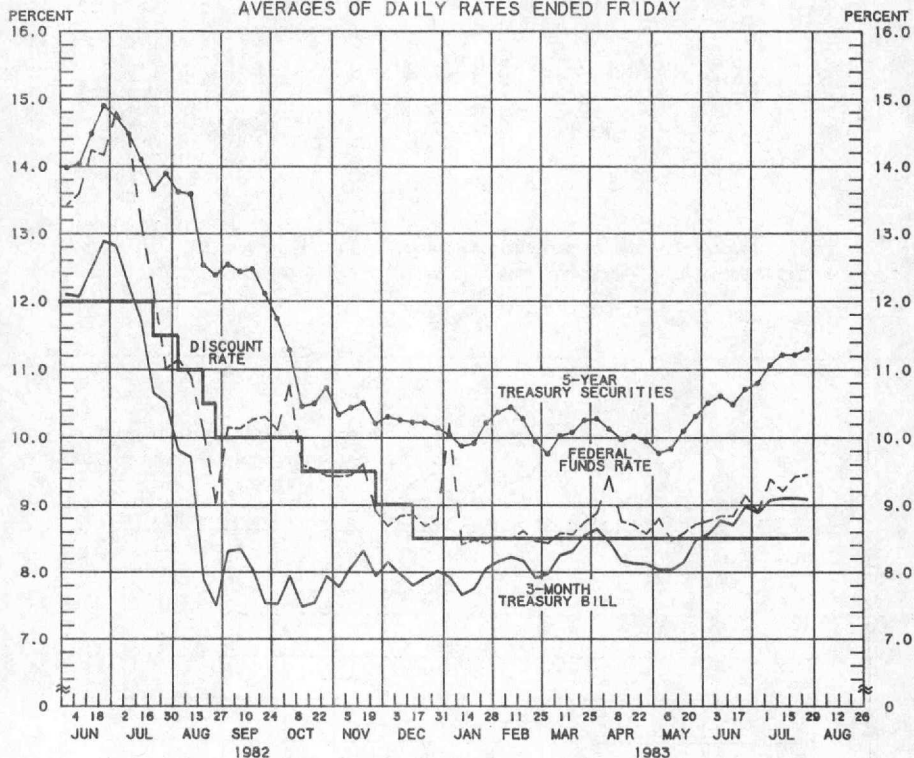
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

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 |
|--------|--------------------|-----------------------|-----------------------|----------------------|----------------------------|-------------------------------|
| JUNE 3 | 8.77 | 8.57 | 8.67 | 8.68 | 10.51 | 10.94 |
| 10 | 8.84 | 8.76 | 8.79 | 8.85 | 10.61 | 10.98 |
| 17 | 8.84 | 8.70 | 8.83 | 8.77 | 10.49 | 10.84 |
| 24 | 9.14 | 8.97 | 9.02 | 9.02 | 10.71 | 10.95 |
| JULY 1 | 8.90 | 8.88 | 9.14 | 8.98 | 10.80 | 11.09 |
| 8 | 9.39 | 9.07 | 9.20 | 9.27 | 11.07 | 11.34 |
| 15 | 9.21 | 9.10 | 9.26 | 9.39 | 11.22 | 11.46 |
| 22 | 9.43 | 9.10 | 9.37 | 9.33 | 11.22 | 11.41 |
| 29 * | 9.46 | 9.08 | 9.31 | 9.37 | 11.30 | 11.52 |
| AUG. 5 | | | | | | |
| 12 | | | | | | |
| 19 | | | | | | |
| 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.

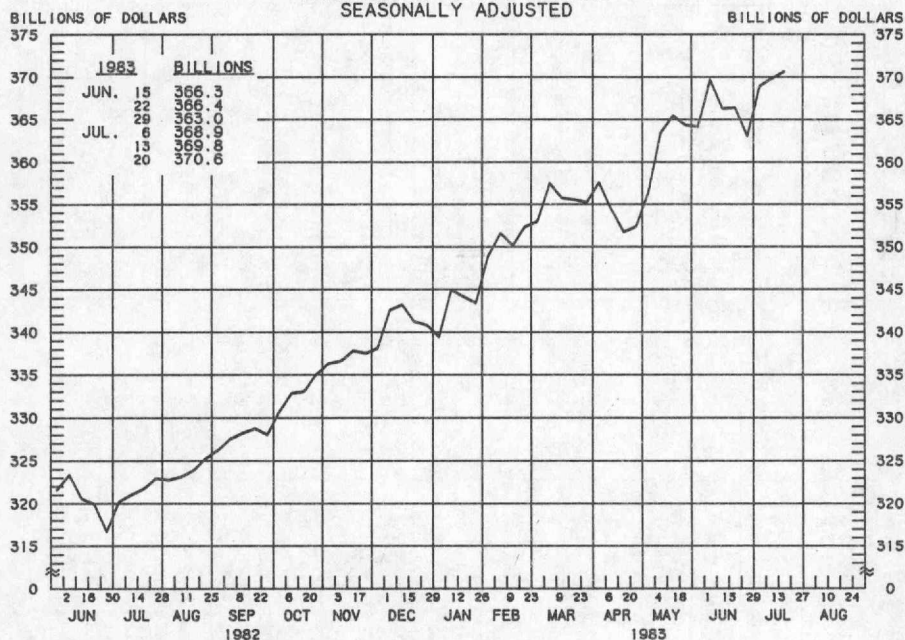
NEW ISSUE RATE

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: JULY 20, 1983

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

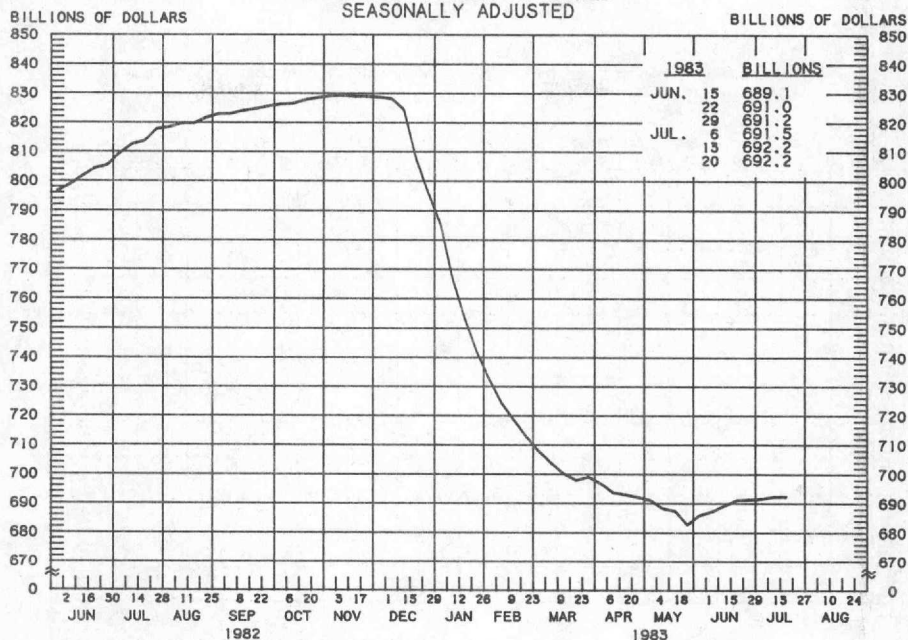
TOTAL CHECKABLE DEPOSITS

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

| | 7/21/82 | 10/20/82 | 12/22/82 | 1/19/83 | 2/23/83 | 3/23/83 | 4/20/83 | 5/18/83 |
|--------------------------------------|---------|----------|----------|---------|---------|---------|---------|---------|
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
| 12/22/82 | 16.5 | | | | | | | |
| 1/19/83 | 14.5 | 14.2 | | | | | | |
| 2/23/83 | 16.7 | 18.1 | 17.0 | | | | | |
| 3/23/83 | 16.9 | 18.2 | 17.6 | 24.2 | | | | |
| 4/20/83 | 14.8 | 14.8 | 12.5 | 15.3 | 7.7 | | | |
| 5/18/83 | 15.1 | 15.3 | 13.7 | 16.1 | 11.2 | 7.5 | | |
| 6/22/83 | 15.9 | 16.3 | 15.4 | 17.6 | 14.5 | 13.2 | 21.0 | |
| 7/20/83 | 15.1 | 15.2 | 14.0 | 15.6 | 12.7 | 11.3 | 16.0 | 14.8 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: JULY 20, 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/ |
|------|----|----------|----------|---------------|
| June | 15 | \$367.9 | \$179.7 | \$32.0 |
| | 15 | 367.9 | 179.7 | 32.0 |
| | 22 | 367.6 | 178.0 | 31.7 |
| | 29 | 367.1 | 176.5 | 31.4 |
| July | 6 | 368.2 | 176.6 | 33.1 |
| | 13 | 368.5 | 177.0 | 33.1 |
| | 20 | 368.4 | 177.0 | 32.9 |

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

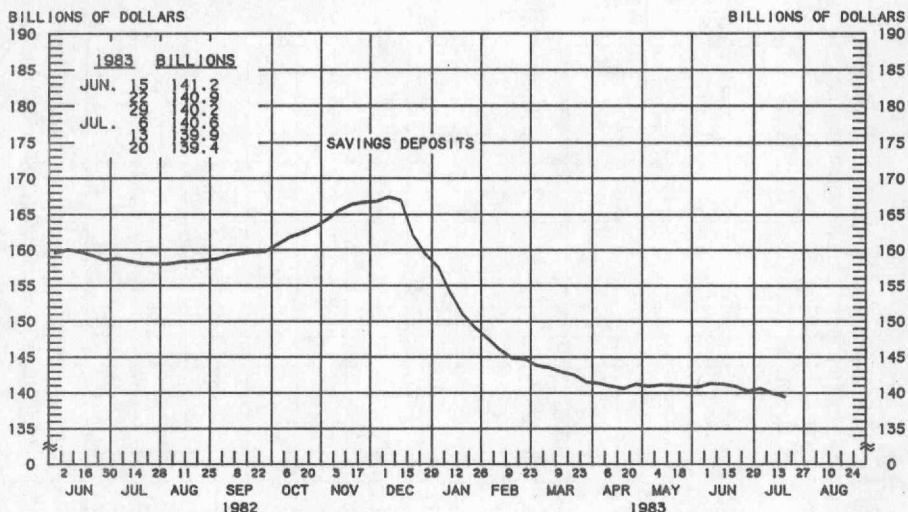
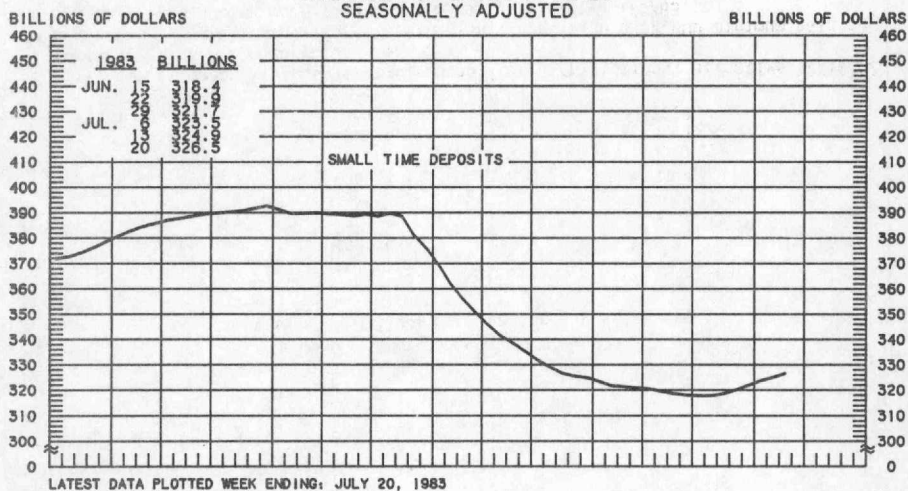
2/ Total money market mutual fund balances.

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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SMALL TIME DEPOSITS ✓ COMMERCIAL BANK SAVINGS DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



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

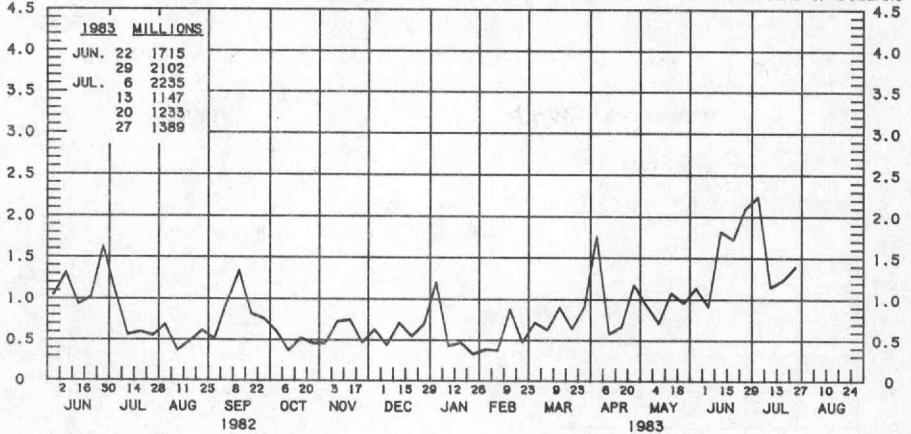
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS

BILLIONS OF DOLLARS

AVERAGES OF DAILY FIGURES

BILLIONS OF DOLLARS

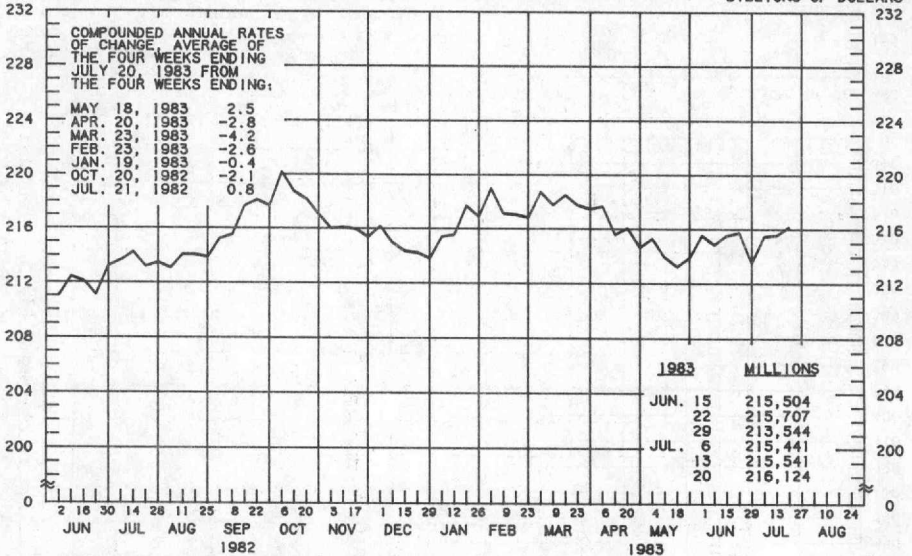


LATEST DATA PLOTTED WEEK ENDING: JULY 27, 1983

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

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



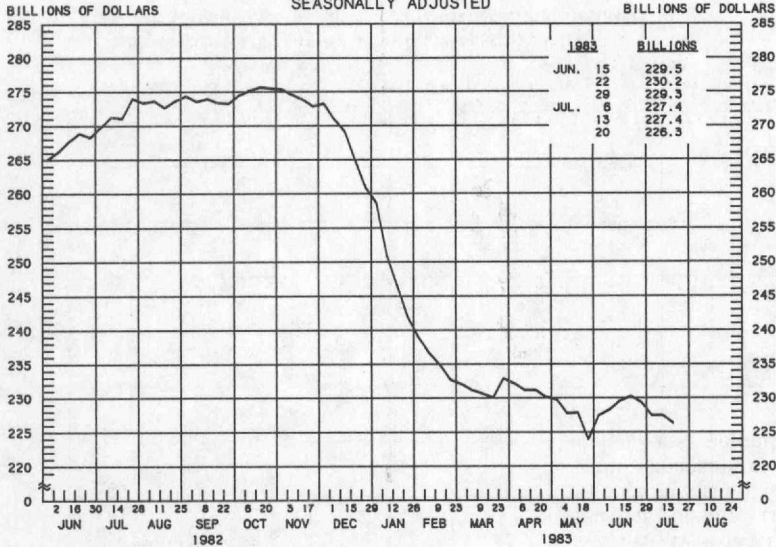
LATEST DATA PLOTTED WEEK ENDING: JULY 20, 1983

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: JULY 20, 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