



Financial Data

Federal Reserve Bank of St. Louis

September 23, 1983

LIBRARY

SEP 26 1983

Over the past year, the spread between interest rates on corporate Aaa bonds and corporate Baa bonds has narrowed steadily (see table below). In fact, the average spread in August 1983 is the smallest between these interest rates since September 1979. This declining spread reflects the economic recovery that began late last year.

Corporate bonds are long-term debt of private U.S. corporations. Bond ratings are determined, in part, by the financial strength of the issuing corporation. The Aaa rating is the highest possible; rates on Aaa bonds are lower than on other corporate bonds because investors perceive their issuers as better credit risks. Interest rates on corporate Aaa and Baa bonds generally move in the same direction. The spread between these rates may change, however, with investors' perceptions of the ability of businesses to weather economic fluctuations. The period of the falling interest rate spread corresponds closely to the economic recovery currently under way. Consequently, one explanation of the declining spread is that investors increased their preference for higher yields over financial strength as general economic conditions improved.

--Donald M. Brown

Interest Rates on Corporate Aaa and Baa Bonds ^{1/}

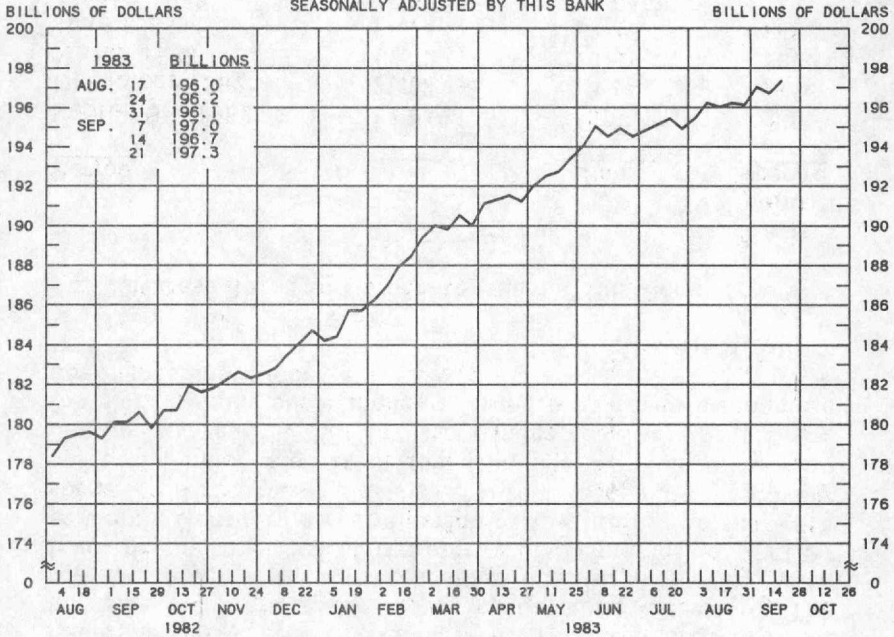
Period	Aaa	Baa	Basis point spread
September 1982	12.94%	15.63%	269
December 1982	11.83	14.14	231
March 1983	11.73	13.61	188
June 1983	11.74	13.37	163
August 1983	12.51	13.64	113

^{1/} Monthly averages of daily rates.

Views expressed do not necessarily reflect official positions of this Bank or the Federal Reserve System.

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:

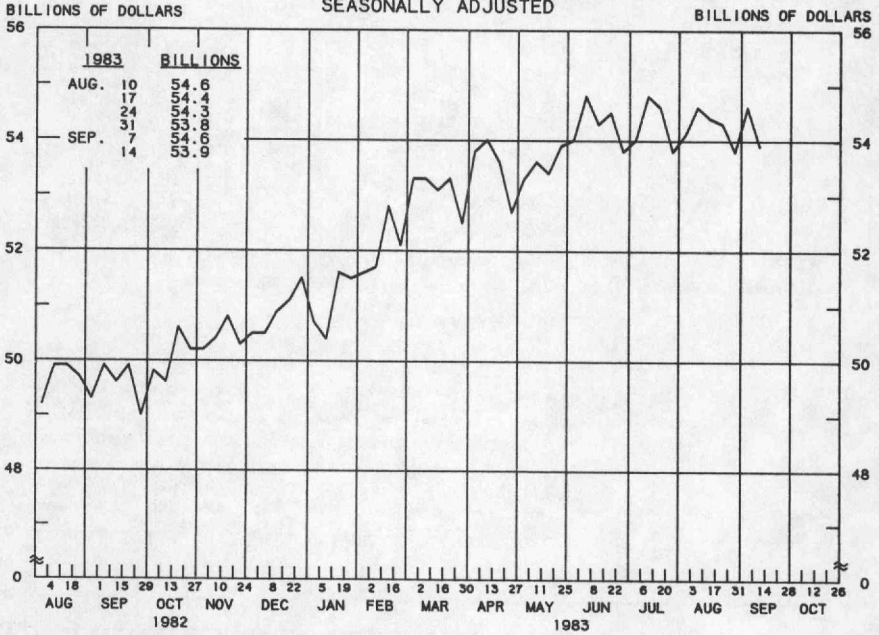
9/22/82 12/22/82 2/23/83 3/23/83 4/20/83 5/18/83 6/22/83 7/20/83

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/23/83	10.0								
3/23/83	11.3	15.5							
4/20/83	10.8	13.6	13.2						
5/18/83	10.5	12.5	11.3	7.8					
6/22/83	11.0	12.8	12.2	10.3	11.4				
7/20/83	10.2	11.4	10.3	8.4	8.6	9.0			
8/24/83	9.7	10.6	9.4	7.8	7.8	7.8	4.2		
9/21/83	9.3	10.0	8.9	7.4	7.3	7.2	4.6	5.5	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED RESERVES AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 14, 1983

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

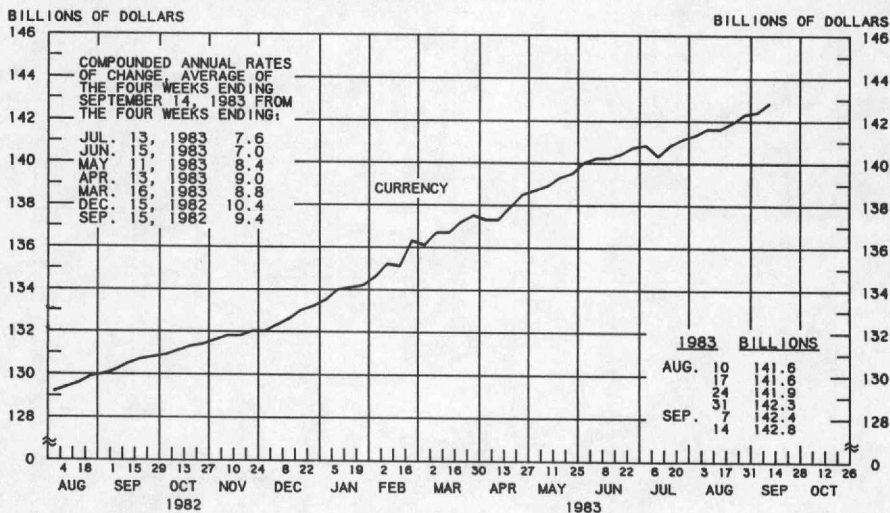
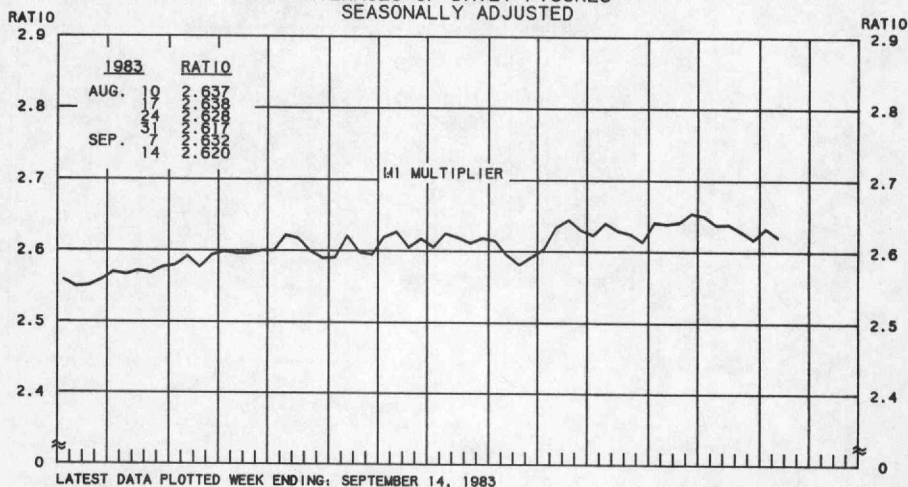
ADJUSTED RESERVES

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	9/15/82	12/15/82	2/16/83	3/16/83	4/13/83	5/11/83	6/15/83	7/13/83
2/16/83		11.3						
3/16/83		14.2	20.4					
4/13/83		13.7	17.9	20.3				
5/11/83		11.6	13.7	12.2	3.7			
6/15/83		12.8	15.2	14.8	10.2	10.1		
7/13/83		11.6	13.0	11.8	7.7	6.9	11.3	
8/17/83		10.1	10.8	9.1	5.4	4.4	6.4	-1.1
9/14/83		9.3	9.6	7.8	4.6	3.6	5.0	-0.7
								-1.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

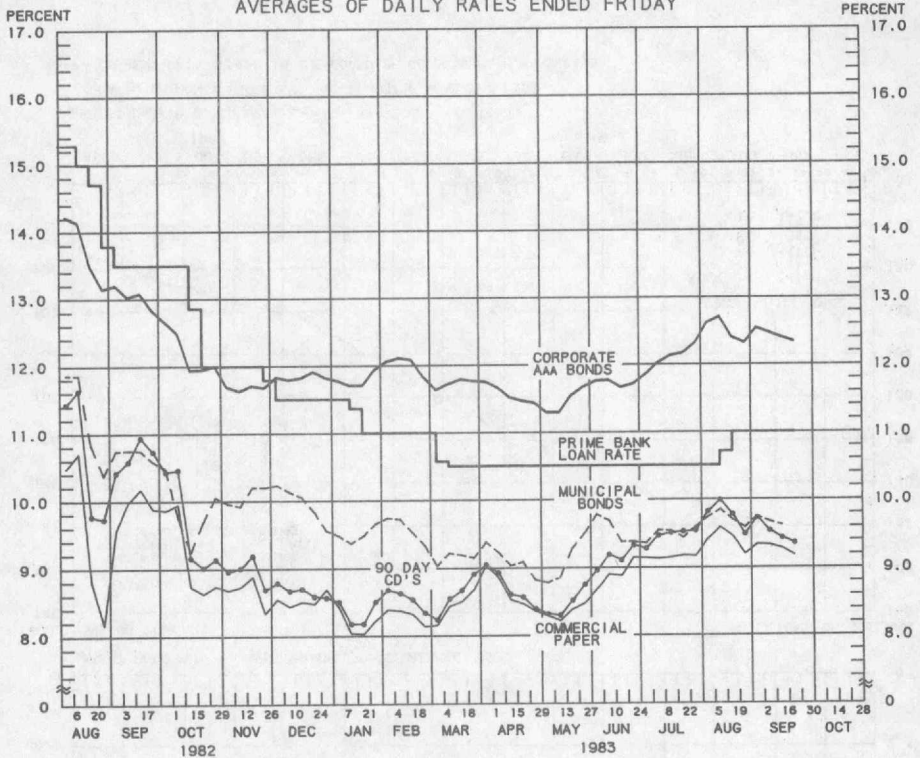


1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE
 2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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: SEPTEMBER 23, 1983

1983	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS **
AUG. 5	9.82	9.42	9.70	12.62	13.64	9.74
12	9.99	9.59	9.87	12.71	13.75	9.85
19	9.78	9.46	9.62	12.40	13.63	9.70
26	9.49	9.20	9.40	12.32	13.55	9.59
SEP. 2	9.73	9.34	9.58	12.54	13.65	9.75
9	9.54	9.33	9.41	12.47	13.60	9.67
16	9.43	9.28	9.31	12.40	13.55	9.62
23 *	9.36	9.18	9.23	12.34	13.53	N.A.
30						
OCT. 7						
14						
21						
28						

* 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



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: SEPTEMBER 23, 1983

1983	FEDERAL FUNDS ^{***}	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL ^{***}	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
AUG. 5	9.59	9.41	9.56	9.71	11.74	11.92
12	9.66	9.52	9.70	9.80	11.89	12.01
19	9.67	9.35	9.55	9.50	11.49	11.65
26	9.41	9.15	9.29	9.37	11.34	11.54
SEP. 2	9.44	9.26	9.53	9.64	11.73	11.89
9	9.53	9.13	9.40	9.47	11.56	11.73
16	9.54	9.08	9.14	9.33	11.46	11.65
23 [*]	9.48	8.97	9.06	9.17	11.38	11.61
OCT. 7						
14						
21						
28						

^{*} 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.

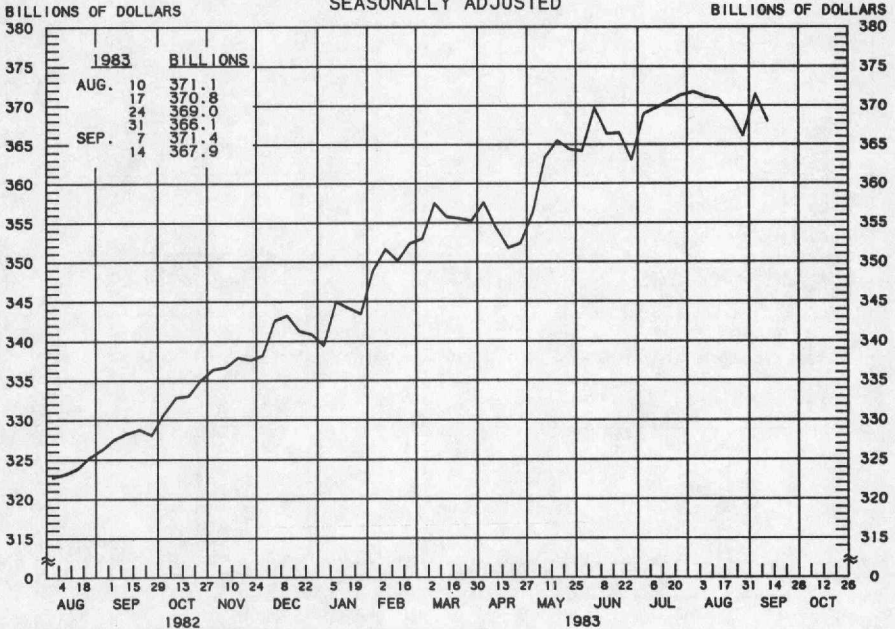
^{***} NEW ISSUE RATE

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



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

TOTAL CHECKABLE DEPOSITS

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

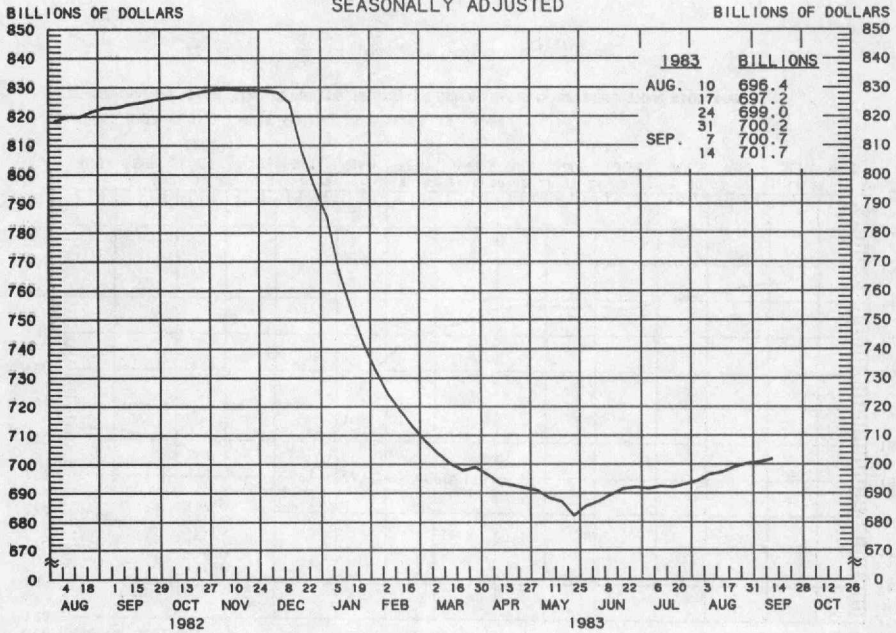
9/15/82 12/15/82 2/16/83 3/16/83 4/13/83 5/11/83 6/15/83 7/13/83

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/16/83	16.4								
3/16/83	17.7	17.8							
4/13/83	15.8	14.3	14.0						
5/11/83	13.9	11.7	9.5	2.4					
6/15/83	16.3	15.7	16.3	13.6	18.3				
7/13/83	15.1	13.9	13.7	11.1	13.5	19.4			
8/17/83	14.8	13.7	13.5	11.4	13.2	16.9	8.3		
9/14/83	12.8	11.2	10.2	8.1	8.9	10.7	2.8	2.5	

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: SEPTEMBER 14, 1983

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

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

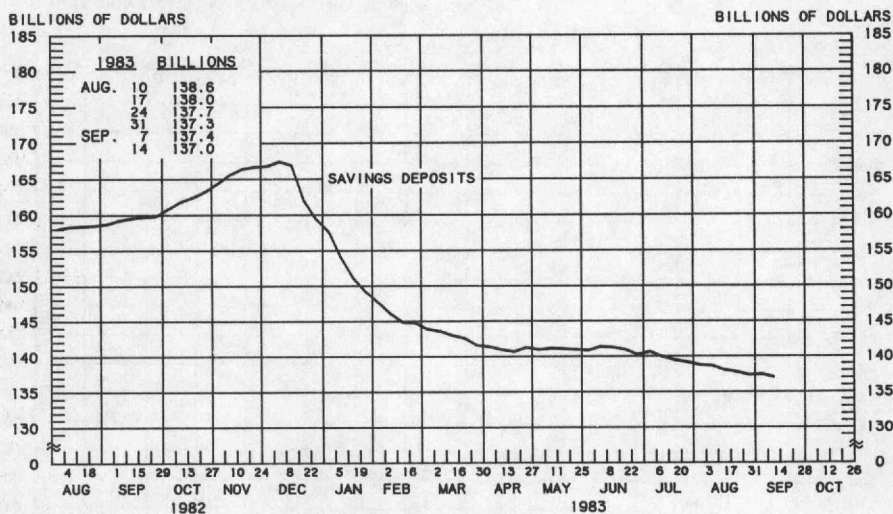
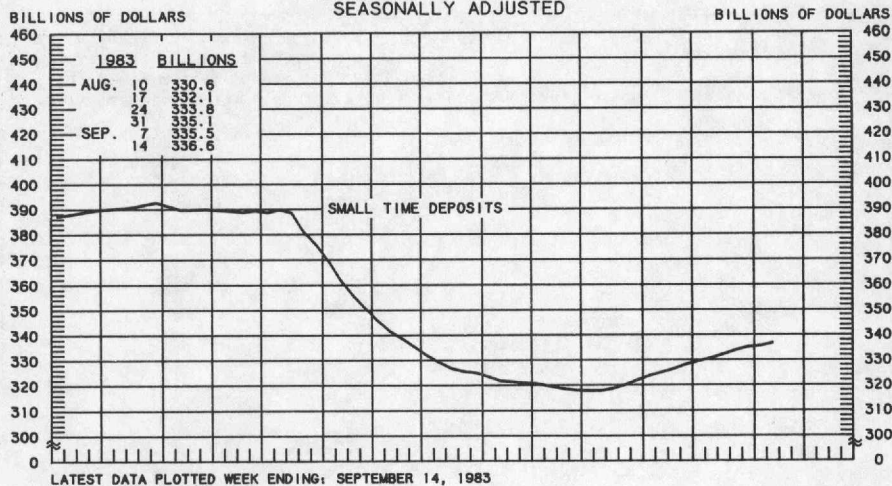
		MMDAs 1/	MMMFs 2/	SUPER NOWs 3/
August	3	\$367.9	\$176.7	\$33.4
	10	367.7	177.4	33.8
	17	366.6	177.6	33.7
	24	365.2	177.1	33.4
	31	364.7	176.6	33.5
September	7	366.2	176.5	34.7
	14	366.8	175.8	34.8

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 \downarrow
 COMMERCIAL BANK SAVINGS DEPOSITS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED

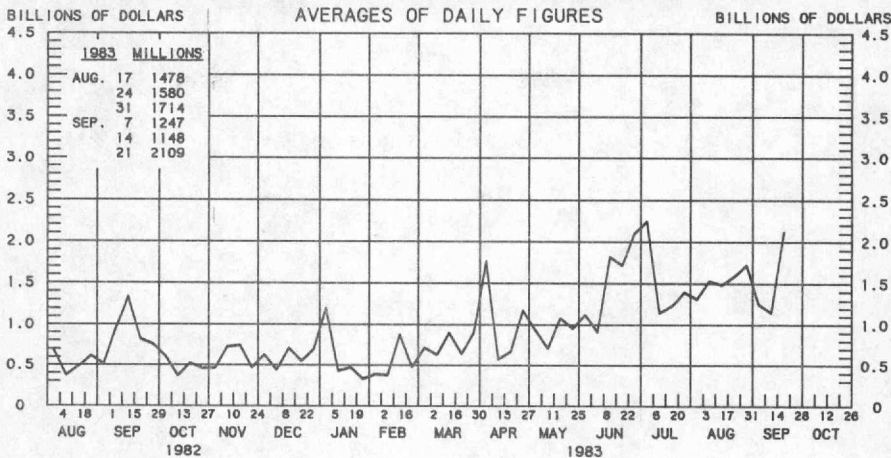


LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 14, 1983

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

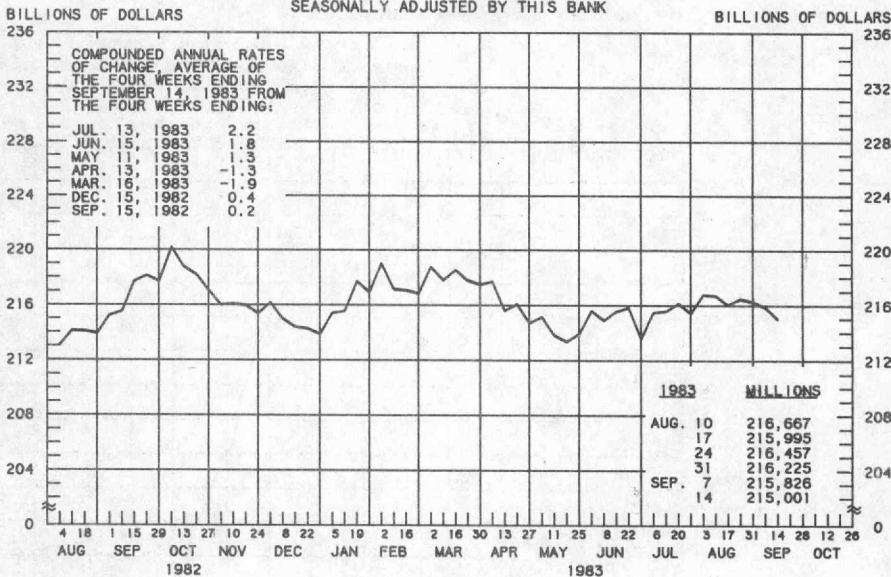
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 21, 1983

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



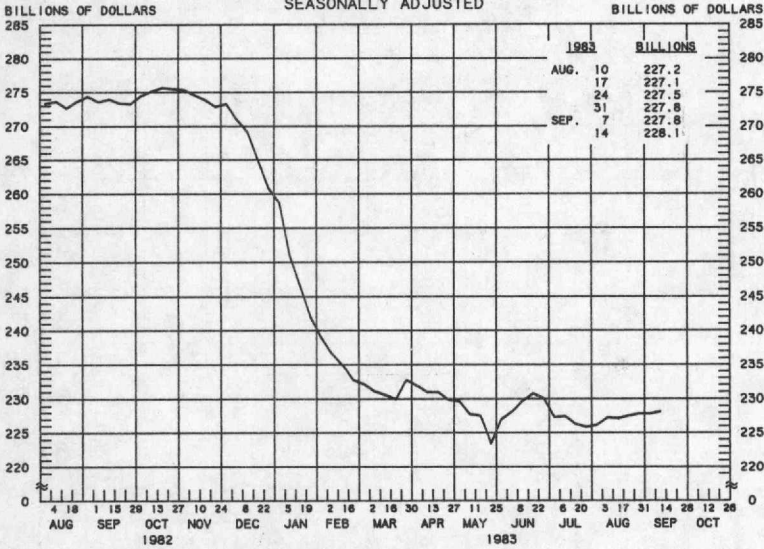
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 14, 1983

^{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: SEPTEMBER 14, 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