

U.S. Financial Data

Federal Reserve Bank of St. Louis

December 9, 1983

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DEC 12 1983

Traditionally, the adjusted monetary base and M1 move together fairly closely over relatively long time periods. For example, from the four weeks ending January 27, 1982, to the four weeks ending November 30, 1983, both measures increased at about an 8 percent rate. Over shorter intervals, however, their growth rates often diverge substantially, reflecting changes in the M1 multiplier.

How the public allocates its holdings between currency and total checkable deposits (the k-ratio) and between time deposits and total checkable deposits (the t-ratio) is a crucial influence on the multiplier. Other things equal, an increase in the t-ratio reduces the multiplier, because the proportion of deposits included in M1 declines. Similarly, an increase in the k-ratio reduces the multiplier, because the proportion of the adjusted base held as reserves declines, causing M1 to expand less rapidly.

The table below illustrates the inverse relationship between changes in the k- and t-ratios and the M1 multiplier. For example, from the four weeks ending January 27, 1982, to the four weeks ending June 30, 1982, both the k- and t-ratios increased as the multiplier fell. During this period, the adjusted base increased at about a 9 percent rate, while M1 grew at only about a 3 percent rate. In contrast, during the following period, characterized by a rising multiplier and falling k- and t-ratios, M1 increased at a rate of almost 12 percent, while the adjusted base continued its growth of about 9 percent. The most recent period has been similar to early 1982 with rising k- and t-ratios and a falling multiplier leading M1 to grow much slower (about 2 percent) than the adjusted base (about 7 percent).

--A. Steven Holland

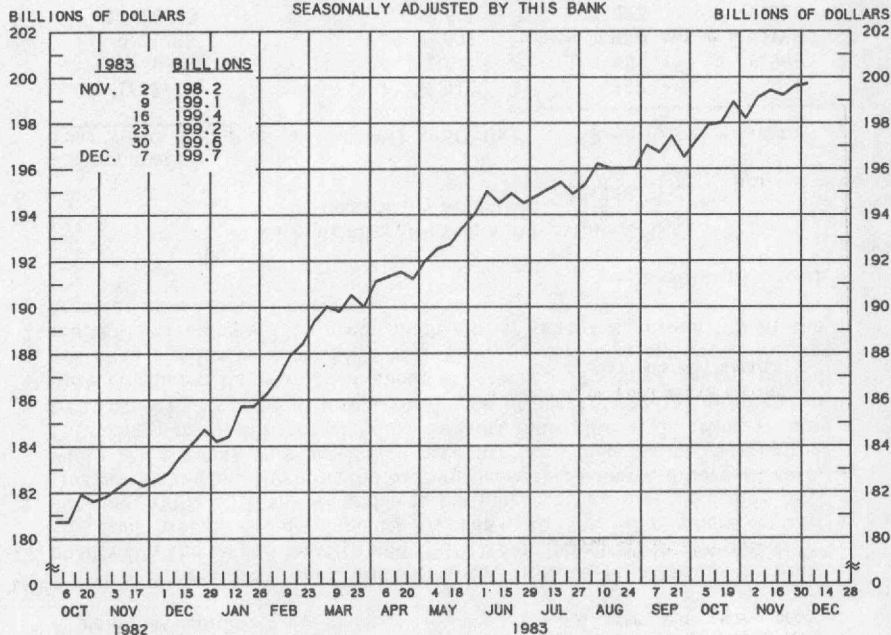
M1 multiplier, k-ratio and t-ratio
(seasonally adjusted)

<u>Averages of four weeks ending</u>	<u>M1 multiplier</u>	<u>k-ratio</u>	<u>t-ratio</u>
1/27/82	2.610	.388	2.381
6/30/82	2.546	.401	2.506
8/31/83	2.631	.384	2.479
11/30/83	2.599	.395	2.546

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:

TO THE AVERAGE OF FOUR WEEKS ENDING:	12/8/82	3/9/83	5/4/83	6/8/83	7/6/83	8/10/83	9/7/83	10/5/83
5/ 4/83	12.5							
6/ 8/83	12.6	10.8						
7/ 6/83	11.8	9.7	10.0					
8/10/83	10.7	8.5	8.0	5.2				
9/ 7/83	10.1	8.0	7.4	5.3	4.8			
10/ 3/83	9.6	7.5	6.9	5.1	4.8	5.1		
11/ 9/83	9.5	7.7	7.3	6.0	5.9	6.5	7.0	
12/ 7/83	9.3	7.6	7.1	6.0	5.9	6.4	6.7	7.6

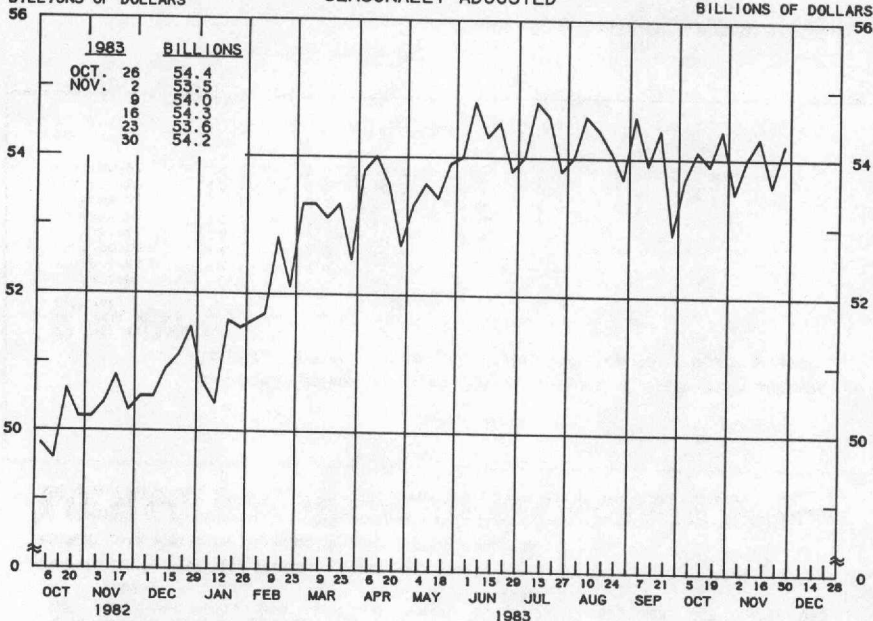
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

ADJUSTED RESERVES

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 30, 1983

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

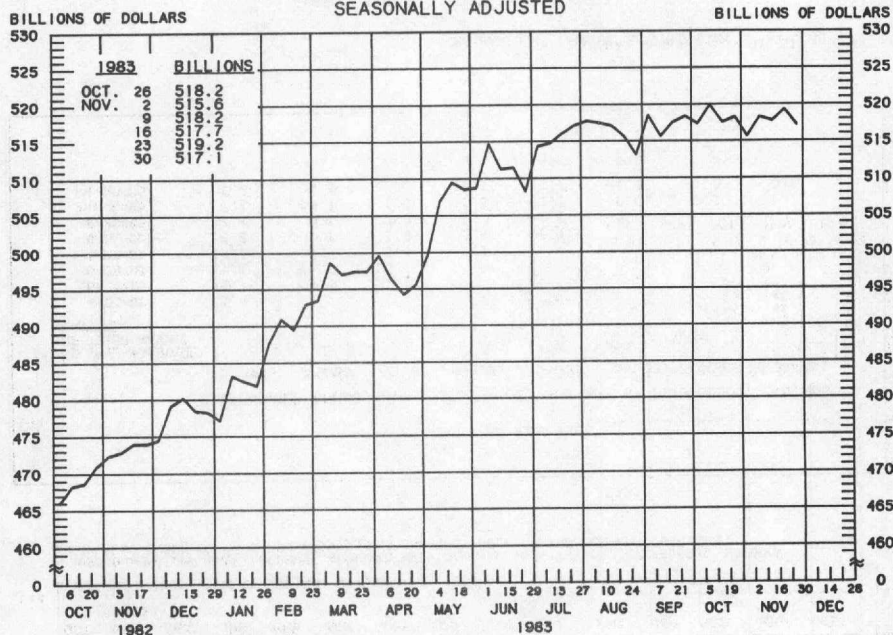
ADJUSTED RESERVES

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

	12/1/82	3/2/83	4/27/83	6/1/83	6/29/83	7/27/83	8/31/83	9/28/83
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/27/83	15.4							
6/1/83	13.1	9.5						
6/29/83	13.8	11.5	10.1					
7/27/83	11.7	8.7	6.1	7.5				
8/31/83	9.9	6.6	3.8	3.8	-2.1			
9/28/83	8.4	5.0	2.2	1.7	-2.9	-3.2		
11/2/83	7.5	4.3	1.8	1.3	-2.1	-2.0	-2.1	
11/30/83	6.9	3.8	1.6	1.1	-1.7	-1.6	-1.5	0.0

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MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 30, 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.

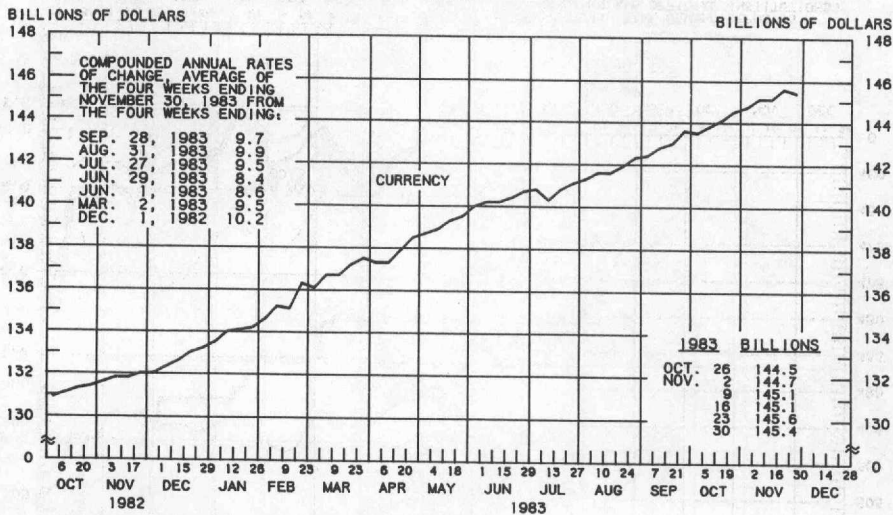
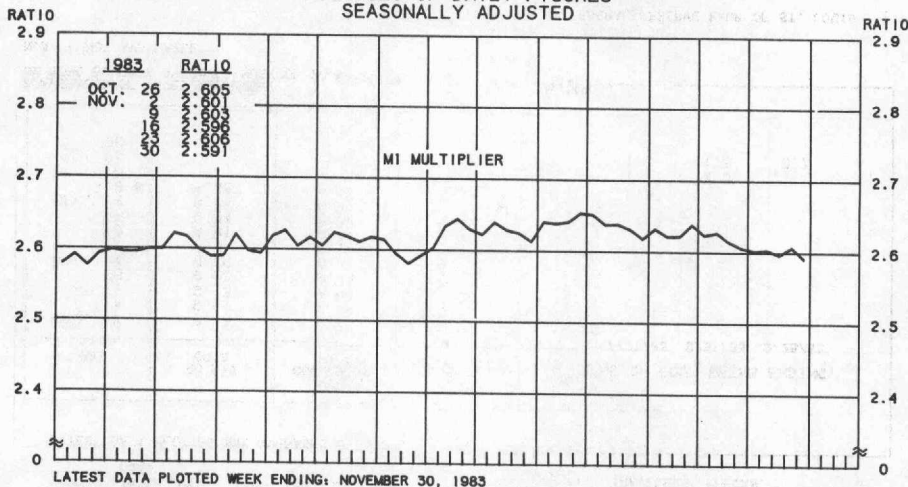
MONEY STOCK (M1)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	12/1/82	3/2/83	4/27/83	6/1/83	6/29/83	7/27/83	8/31/83	9/28/83
4/27/83	12.2							
6/1/83	15.1	14.4						
6/29/83	14.2	12.8	18.8					
7/27/83	13.8	12.5	16.3	9.4				
8/31/83	12.0	10.1	11.7	6.0	5.1			
9/28/83	11.3	9.3	10.3	5.6	4.9	2.3		
11/2/83	10.1	8.0	8.5	4.4	3.7	1.7	2.3	
11/30/83	9.3	7.3	7.4	3.9	3.1	1.5	1.8	0.7

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

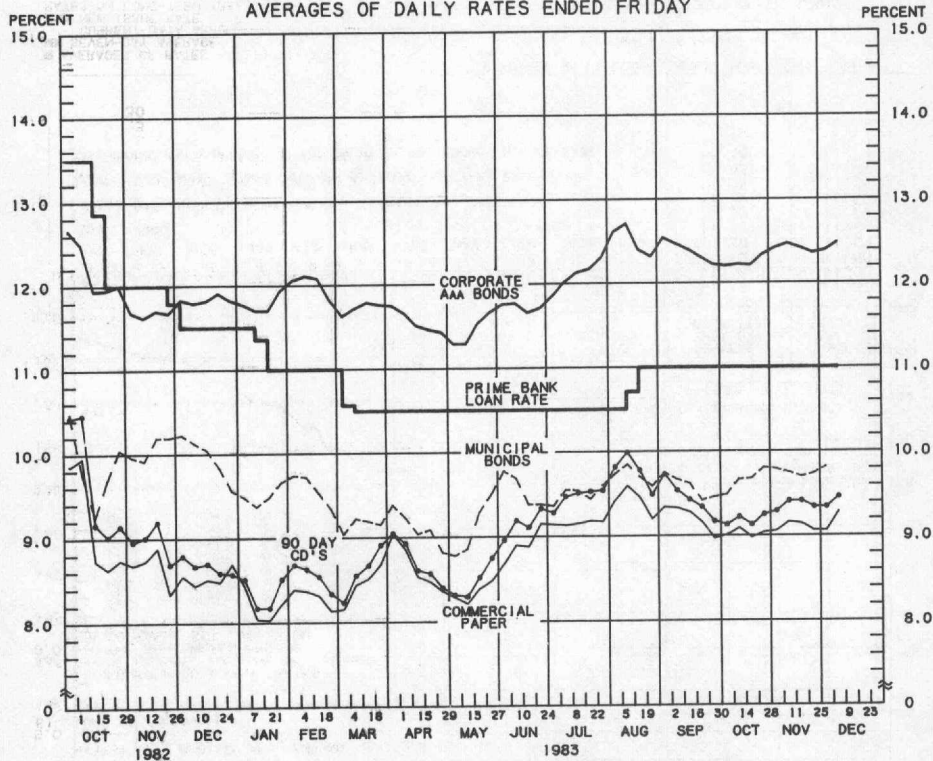


1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE
 2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 9, 1983

1983	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS [⊛]
OCT. 7	9.13	9.01	9.02	12.20	13.44	9.49
14	9.22	9.09	9.13	12.22	13.42	9.67
21	9.13	8.98	9.00	12.21	13.42	9.68
28	9.25	9.04	9.11	12.34	13.52	9.81
NOV. 4	9.29	9.06	9.13	12.42	13.58	9.79
11	9.41	9.16	9.22	12.47	13.63	9.75
18	9.41	9.14	9.25	12.42	13.64	9.70
25	9.34	9.06	9.19	12.36	13.59	9.74
DEC. 2	9.34	9.06	9.21	12.39	13.63	9.82
9 [⊛]	9.46	9.28	9.33	12.48	13.66	N.A.
16						
23						
30						

[⊛] AVERAGES OF RATES AVAILABLE.

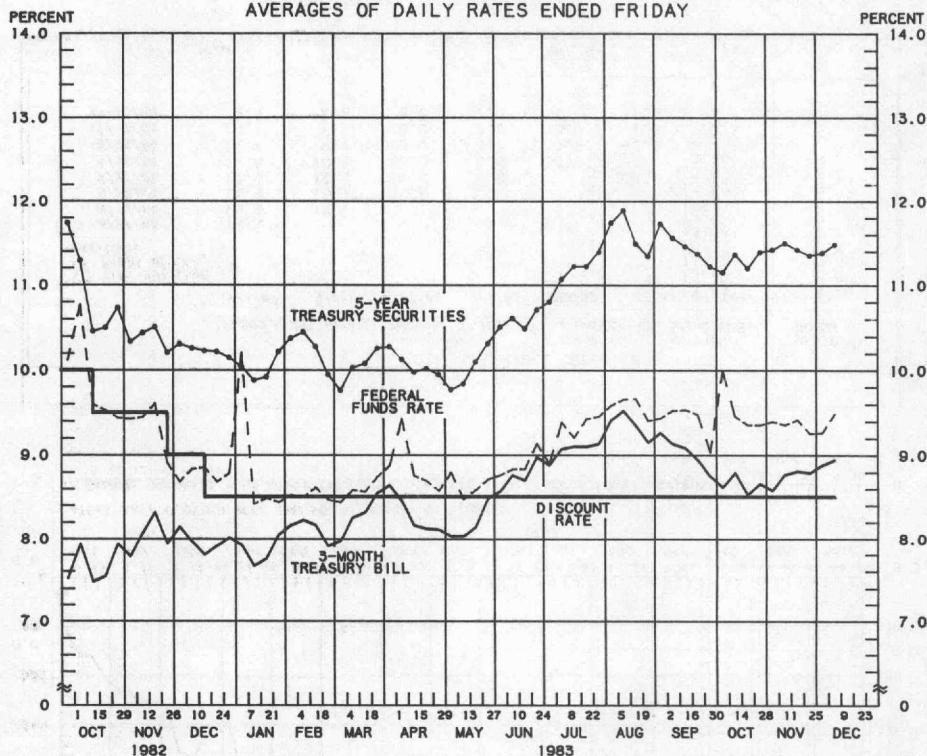
[⊛] BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

N.A. - NOT AVAILABLE

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SELECTED INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 9, 1983

1983	FEDERAL FUNDS <small>PERCENT</small>	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL <small>PERCENT</small>	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
OCT. 7	10.00	8.62	8.92	8.93	11.15	11.37
14	9.46	8.79	8.97	9.10	11.36	11.62
21	9.36	8.53	8.79	8.89	11.20	11.50
28	9.36	8.66	8.91	9.02	11.39	11.69
NOV. 4	9.40	8.58	8.68	9.05	11.42	11.74
11	9.36	8.77	9.02	9.09	11.50	11.79
18	9.42	8.81	8.91	9.08	11.42	11.69
25	9.26	8.79	8.96	9.07	11.35	11.59
DEC. 2	9.27	8.88	9.05	9.15	11.38	11.61
9 *	9.49	8.94	9.16	9.21	11.48	11.74
16						
23						
30						

* AVERAGES OF RATES AVAILABLE.

PERCENT SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

PERCENT CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE.

PERCENT NEW ISSUE RATE

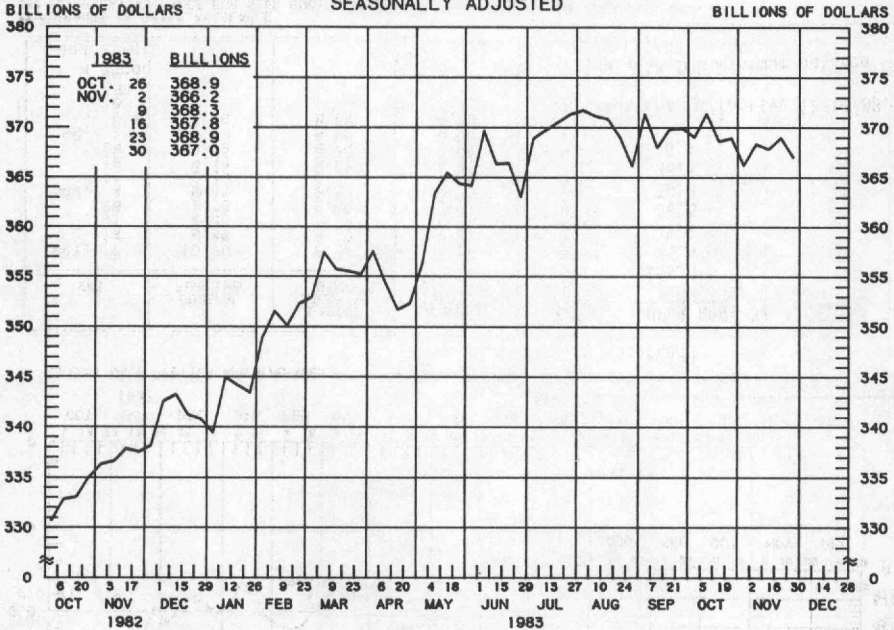
RATES ON LONG-TERM TREASURY SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.

TREASURY BILL YIELDS ON DISCOUNT BASIS.

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TOTAL CHECKABLE DEPOSITS \downarrow

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 30, 1983

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

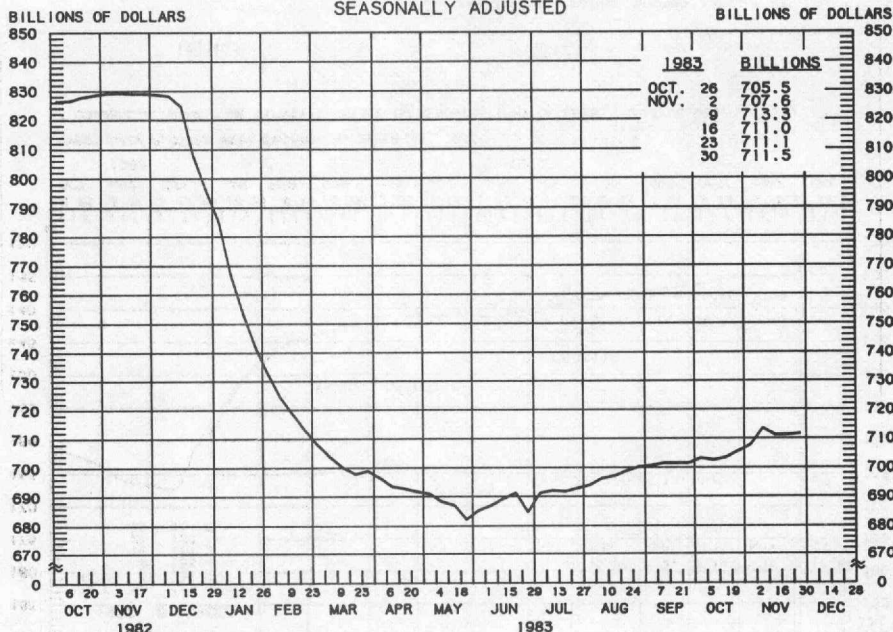
TOTAL CHECKABLE DEPOSITS

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

	12/1/82	3/2/83	4/27/83	6/1/83	6/29/83	7/27/83	8/31/83	9/28/83
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/27/83	12.5							
6/1/83	16.5	15.1						
6/29/83	15.3	13.2	21.8					
7/27/83	15.1	13.5	19.5	10.8				
8/31/83	12.8	10.3	13.0	5.6	4.8			
9/28/83	11.7	9.1	10.9	4.7	3.9	-0.5		
11/2/83	10.1	7.3	8.2	2.9	2.0	-1.3	-0.8	
11/30/83	9.0	6.2	6.7	2.0	1.1	-1.6	-1.4	-2.8

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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 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/
October	19	\$366.6	\$177.6	\$35.8
	26	366.1	178.4	35.4
November	2	366.4	178.7	35.9
	9	368.3	179.8	36.8
	16	369.1	179.7	36.8
	23	369.4	179.1	36.4
	30	370.2	178.6	36.4

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

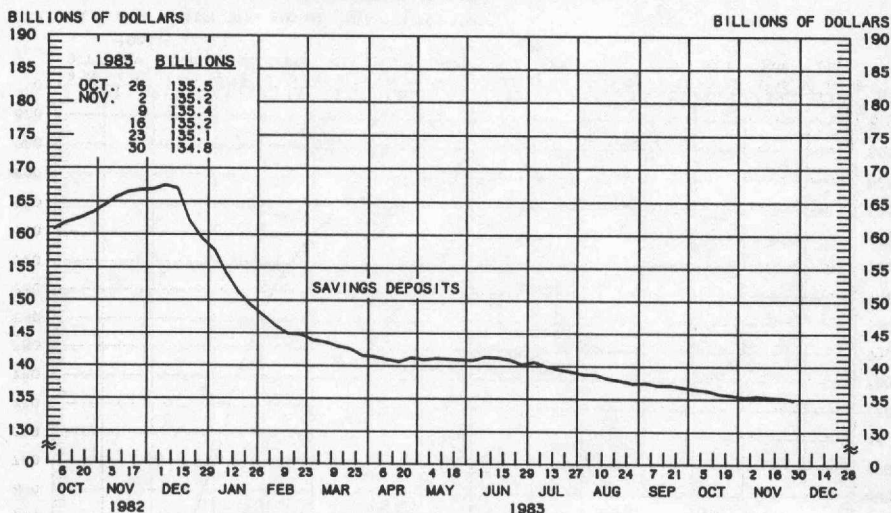
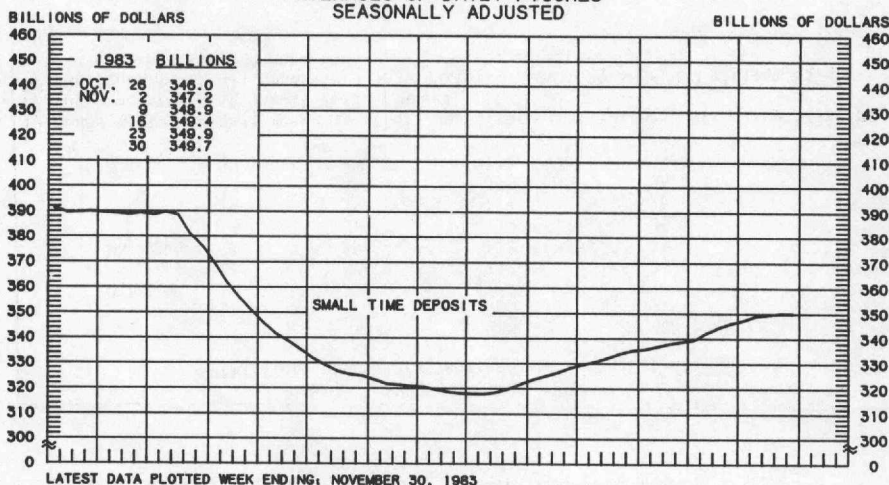
2/ Total money market mutual fund balances.

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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

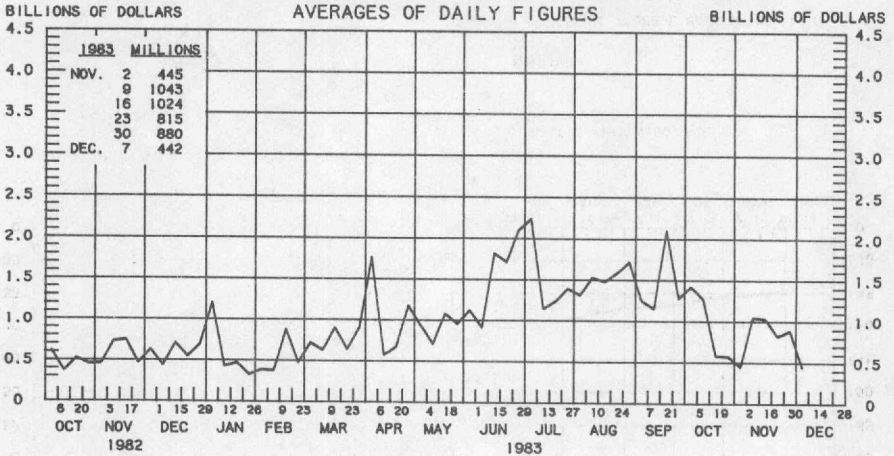
SMALL TIME DEPOSITS^{1/} COMMERCIAL BANK SAVINGS DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



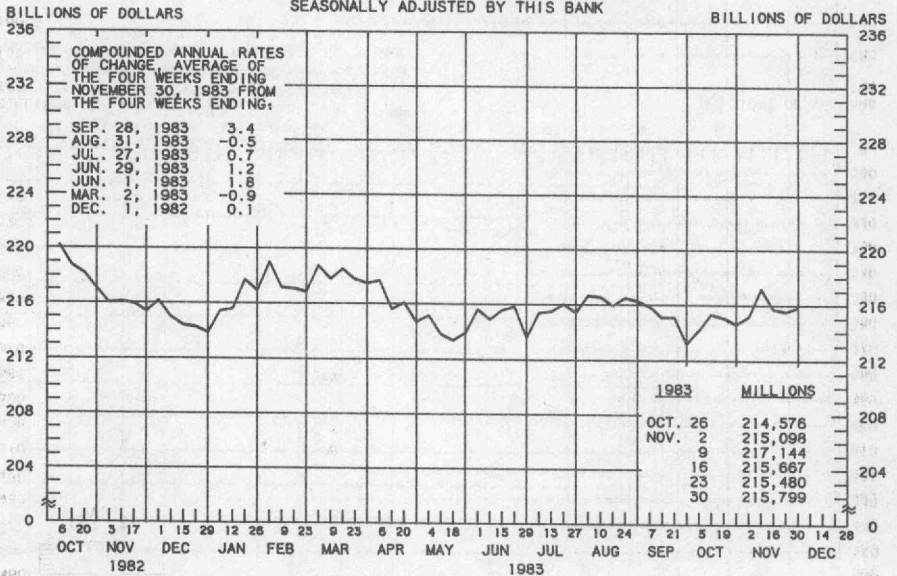
^{1/} COMMERCIAL BANK TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000.

BORROWINGS FROM FEDERAL RESERVE BANKS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 7, 1983

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



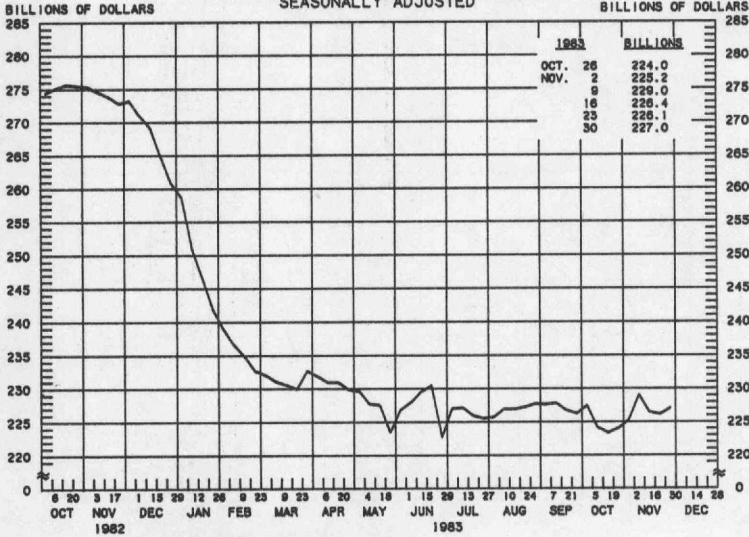
LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 30, 1983

- 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: NOVEMBER 30, 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

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