

RESEARCH LIBRARY

Federal Reserve Bank
of St. Louis

MAY 14 1984

U.S. Financial Data

May 10, 1984

Interest rates normally rise fairly rapidly in the initial phase of an expansion, but the increase tapers off as the recovery matures. The data in the table on the back page show the average changes in selected interest rates that occurred during the initial phases of five previous expansions. As shown, during the first three quarters of the expansion, the average increases in these interest rates have been in the neighborhood of 50 to 150 basis points. The behavior of interest rates during the subsequent three quarters, however, has been mixed with one falling, one not much changed and one rising.

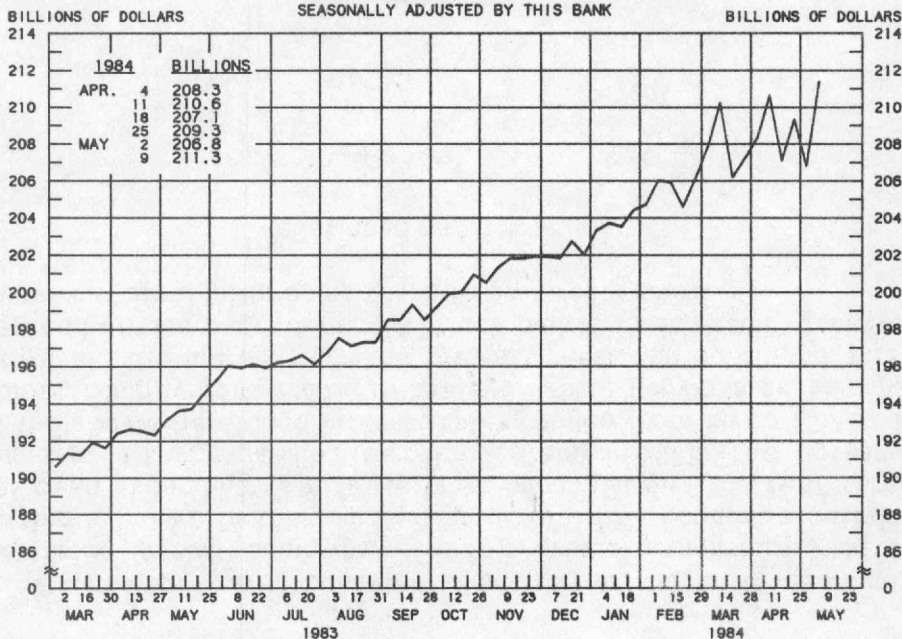
Interest rate behavior during the current economic expansion varies somewhat from previous expansions. After hitting a trough in the fourth quarter of 1982, economic activity has been expanding at a fairly brisk pace. During the first three quarters of this expansion (through September 1983), the increases in the above-mentioned interest rates ranged from 50 to 120 basis points, roughly comparable to the average of previous expansions. However, the upward trend in interest rates has continued since September (see pages 6 and 7), which makes their recent behavior somewhat atypical in comparison to past recoveries.

(continued on back page)



ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: MAY 9, 1984

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.

RECENT DATA ARE PRELIMINARY

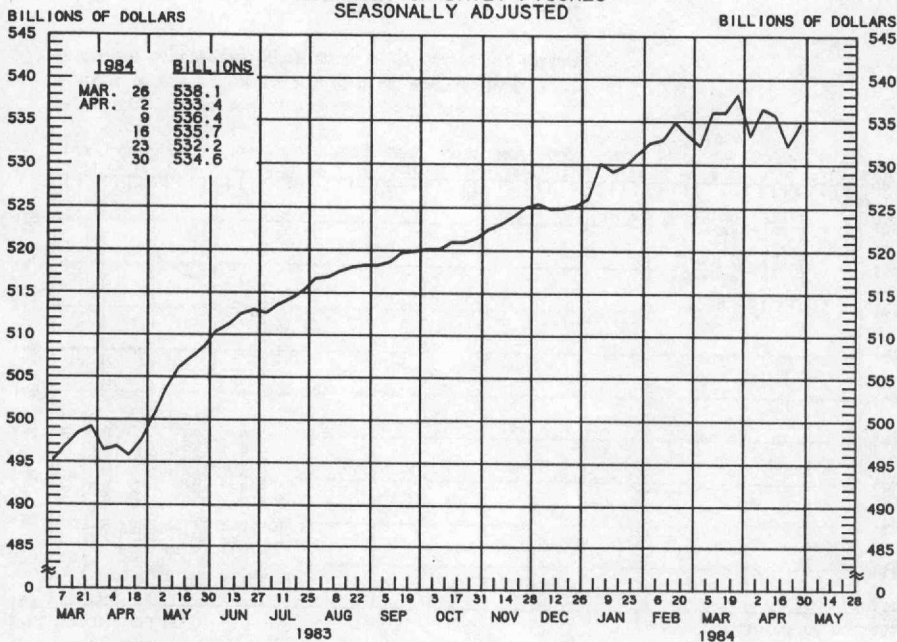
ADJUSTED MONETARY BASE

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

	5/11/83	8/10/83	10/12/83	11/9/83	12/7/83	1/11/84	2/8/84	3/7/84
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/12/83	7.9							
11/ 9/83	8.3	8.4						
12/ 7/83	8.2	8.3	9.1					
1/11/84	7.8	7.6	7.6	6.5				
2/ 8/84	8.2	8.3	8.7	8.2	8.3			
3/ 7/84	8.3	8.4	8.8	8.5	8.6	10.7		
4/11/84	8.6	8.7	9.1	8.9	9.1	10.7	10.0	
5/ 9/84	8.1	8.1	8.3	8.0	8.0	8.8	7.8	7.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: APRIL 30, 1984

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.

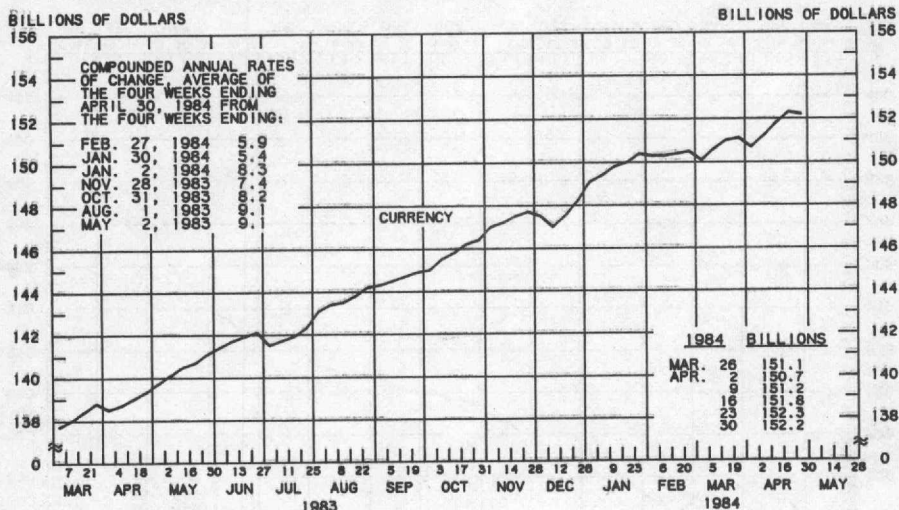
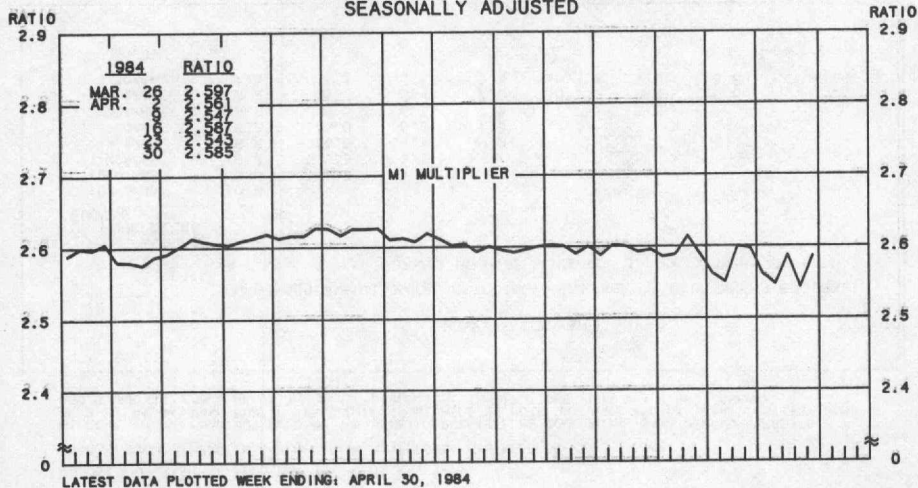
MONEY STOCK (M1)

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

	5/2/83	8/1/83	10/3/83	10/31/83	11/28/83	1/2/84	1/30/84	2/27/84
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 3/83	10.8							
10/31/83	9.5	4.7						
11/28/83	9.2	5.3	5.1					
1/ 2/84	8.4	4.8	4.4	5.0				
1/30/84	8.8	6.0	6.2	7.3	7.3			
2/27/84	8.8	6.3	6.7	7.6	7.7	10.6		
4/ 2/84	8.4	6.1	6.4	7.0	6.9	8.4	6.6	
4/30/84	7.5	5.2	5.1	5.4	5.1	5.6	3.6	1.4

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



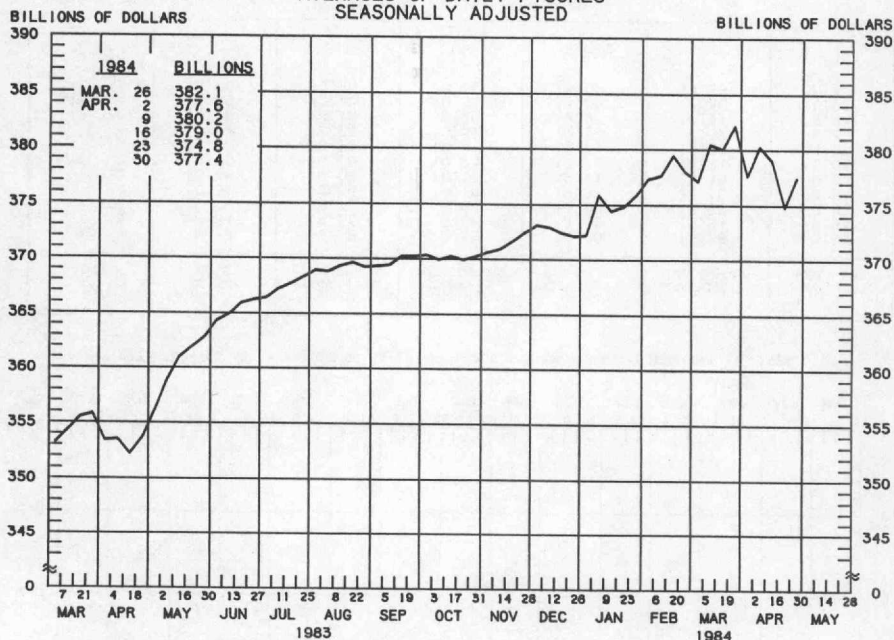
LATEST DATA PLOTTED WEEK ENDING: APRIL 30, 1984

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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TOTAL CHECKABLE DEPOSITS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: APRIL 30, 1984

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

TOTAL CHECKABLE DEPOSITS

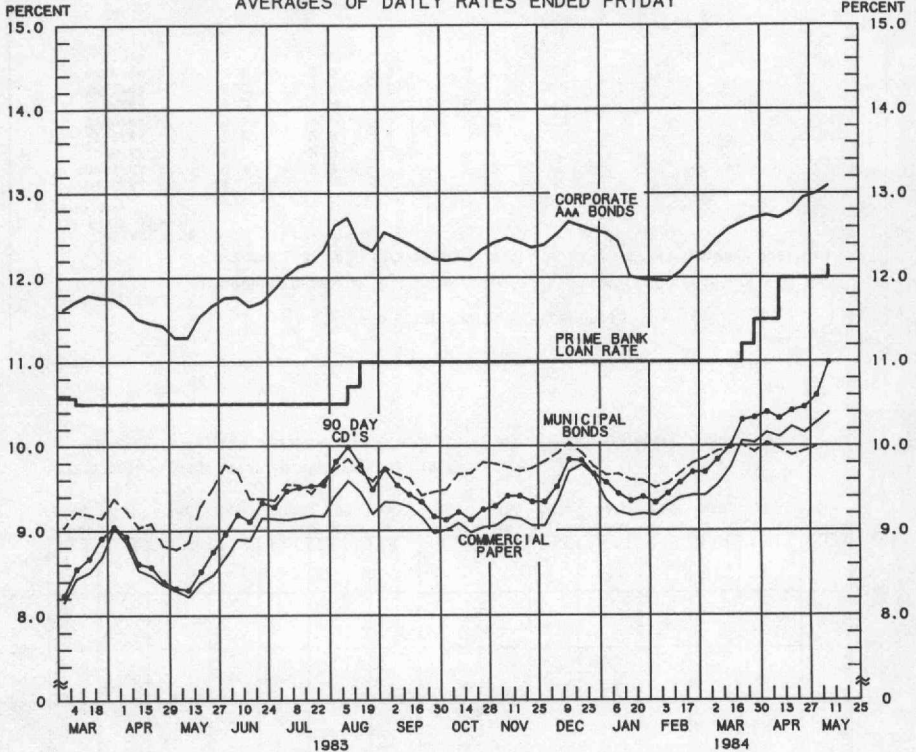
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	5/2/83	8/1/83	10/3/83	10/31/83	11/28/83	1/2/84	1/30/84	2/27/84
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 3/83	11.1							
10/31/83	9.4	2.3						
11/28/83	8.7	2.9	2.5					
1/ 2/84	7.9	2.8	2.6	3.6				
1/30/84	8.1	4.0	4.4	5.6	6.1			
2/27/84	8.3	4.8	5.5	6.8	7.4	10.4		
4/ 2/84	8.0	4.9	5.5	6.4	6.8	8.4	7.6	
4/30/84	6.8	3.6	3.7	4.3	4.2	4.6	2.9	-0.3

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



1984	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS
MAR. 2	9.69	9.42	9.56	12.30	13.78	9.86
9	9.84	9.54	9.68	12.46	13.84	9.94
16	9.99	9.73	9.84	12.58	13.97	9.98
23	10.31	10.06	10.16	12.65	14.10	10.01
30	10.34	10.04	10.17	12.71	14.15	9.93
APR. 6	10.40	10.16	10.23	12.74	14.21	10.04
13	10.33	10.11	10.21	12.71	14.22	9.97
20	10.42	10.23	10.31	12.79	14.37	9.89
27	10.46	10.16	10.29	12.95	14.41	9.94
MAY 4	10.60	10.28	10.42	13.00	14.46	9.99
11 *	10.99	10.40	10.79	13.09	14.55	N.A.
18						
25						

* AVERAGES OF RATES AVAILABLE.

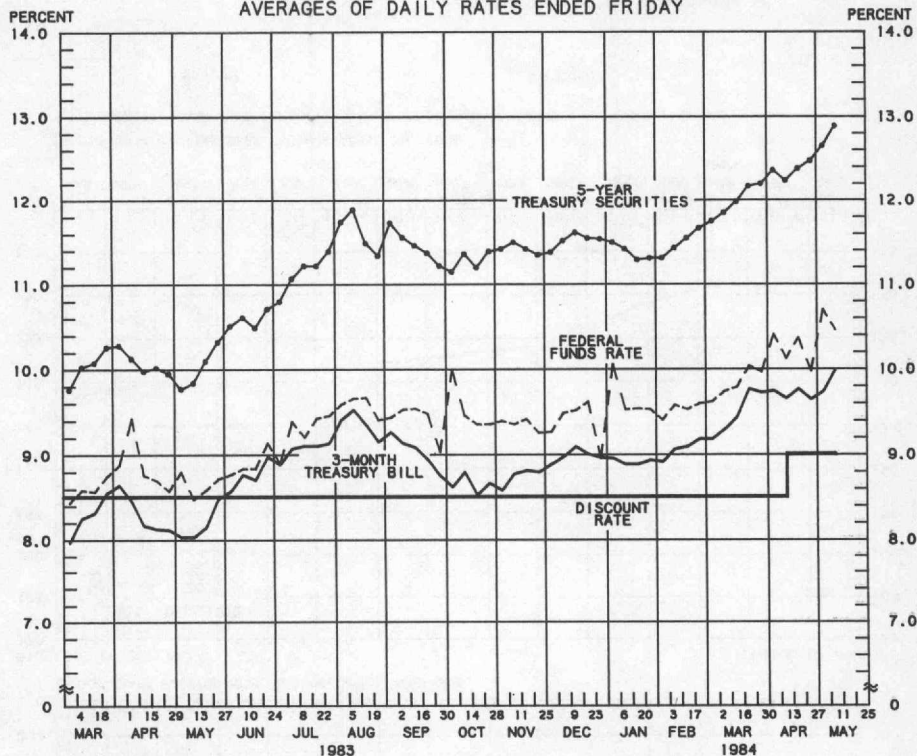
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

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: MAY 11, 1984

1984	FEDERAL FUNDS RATE	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
MAR. 2	9.62	9.18	9.33	9.37	11.75	12.03
9	9.74	9.29	9.37	9.45	11.85	12.17
16	9.79	9.43	9.52	9.60	11.98	12.28
23	10.04	9.76	9.79	9.90	12.17	12.42
30	9.97	9.72	9.88	9.86	12.20	12.40
APR. 6	10.41	9.74	9.83	9.96	12.36	12.53
13	10.13	9.65	9.82	9.82	12.24	12.45
20	10.37	9.76	9.92	9.98	12.38	12.62
27	9.98	9.64	9.74	10.00	12.47	12.69
MAY 4	10.70	9.73	9.88	10.18	12.65	12.85
11	10.46	9.99	10.27	10.43	12.89	13.07
18						
25						

■ 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.

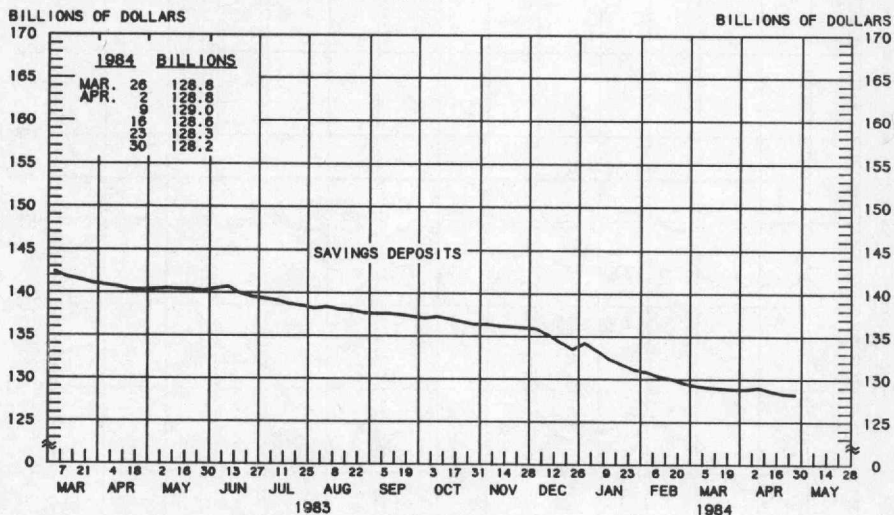
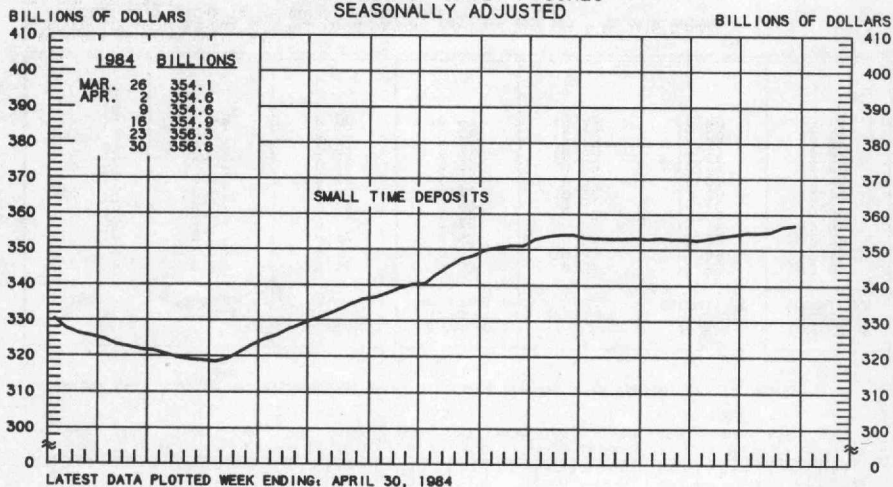
■ NEW ISSUE RATE

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

TREASURY BILL YIELDS ON DISCOUNT BASIS.

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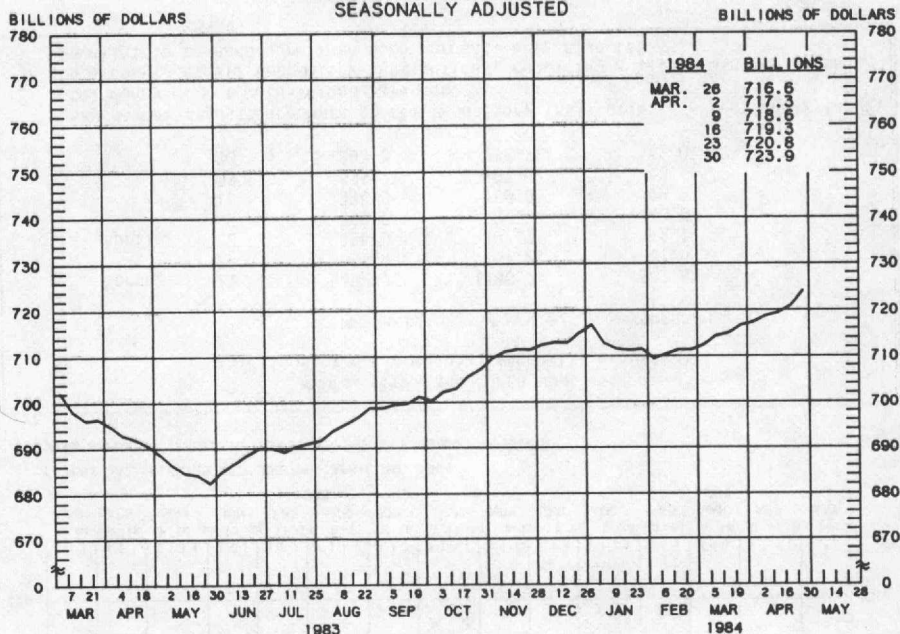
SMALL TIME DEPOSITS 1/ COMMERCIAL BANK SAVINGS DEPOSITS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



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

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: APRIL 30, 1984

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

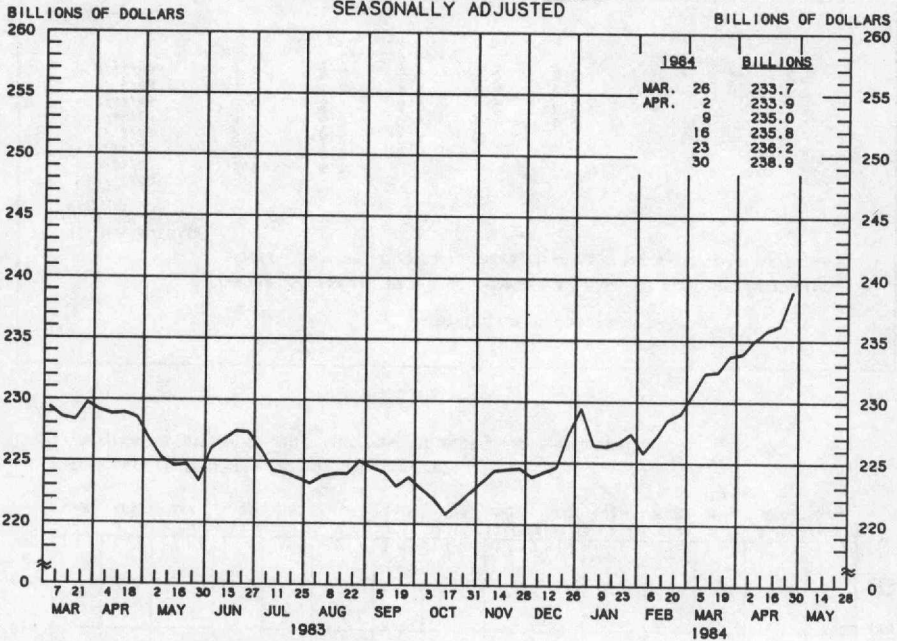
TOTAL TIME DEPOSITS

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

	5/2/83	8/1/83	10/3/83	10/31/83	11/28/83	1/2/84	1/30/84	2/27/84
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 3/83	3.2							
10/31/83	3.9	8.3						
11/28/83	5.1	9.3	10.5					
1/ 2/84	5.1	8.4	8.4	8.5				
1/30/84	4.0	6.2	5.2	4.2	0.7			
2/27/84	3.5	5.1	3.8	2.7	-0.2	-3.4		
4/ 2/84	3.9	5.5	4.5	3.9	2.0	0.8	3.4	
4/30/84	4.3	5.9	5.2	4.7	3.3	2.7	5.2	8.5

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



LATEST DATA PLOTTED WEEK ENDING: APRIL 30, 1984

TIME DEPOSITS ISSUED IN DENOMINATIONS OF \$100,000 OR MORE.

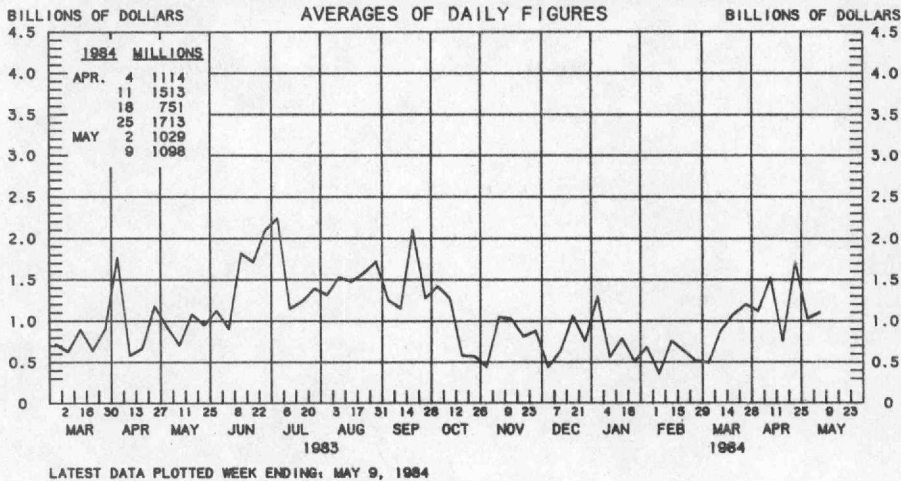
MMDAs, MMMFs and SUPER NOWs
(billions of dollars, not seasonally adjusted)

		MMDAs 1/	MMMFs 2/	SUPER NOWs 3/
March	19	\$392.7	\$186.7	\$41.6
	26	393.4	187.2	41.5
April	2	396.0	187.7	42.1
	9	398.8	188.1	43.6
	16	398.9	189.0	43.9
	23	395.7	187.6	43.4
	30	393.2	186.7	42.0

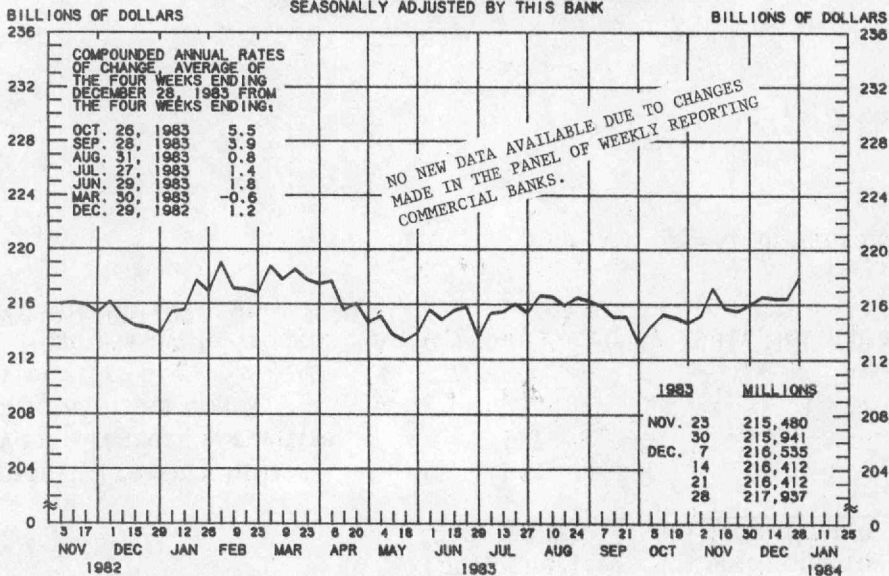
- 1/ Money market deposit accounts at all depository institutions, effective 12/14/82.
 2/ Total money market mutual fund balances.
 3/ NOW accounts at all depository institutions, requiring a \$2,500 minimum balance and eligible to earn more than 5.25 percent, effective 1/5/83.

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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

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Behavior of Selected Interest Rates
in Economic Recoveries
(average change in basis points)

	<u>Three quarters from trough 1/</u>	<u>Third through sixth quarter from trough 1/</u>
3-month Treasury bills	144	-40
5-year Treasury securities	117	-3
Corporate Aaa bonds	57	15

1/ Business cycle troughs: April 1958; February 1961; November 1970; March 1975; July 1980

—G. J. Santoni