

JUL 16 1984

U.S. Financial Data

July 12, 1984

Before interest rates on long-term securities began rising in February, the average interest rate at which mortgage lenders made fixed-rate loans was about 150 basis points above their commitment rates on adjustable-rate mortgages. Thus, homebuyers could borrow at lower initial interest rates if they were willing to accept the risk that the interest rates on their mortgages might change in the future.

Since February, rates on fixed-rate mortgages have risen substantially. Over the same period, rates on adjustable-rate mortgages increased by about half as much. This widening spread is to be expected during a period of rising interest rates, however, because investors in fixed-rate mortgages face two types of risk not associated with adjustable-rate mortgages: a loss of capital value if rates rise further and the possibility of loan prepayment by borrowers if rates should fall.

Recent Changes in Mortgage Rates^{1/}
(basis points)

<u>Period</u>	<u>Adjustable-rate mortgage</u> ^{2/}	<u>Fixed-rate mortgage</u>
9/83 - 1/84	-40	-44
1/84 - 6/84	48	95

^{1/} Commitment rates on loans for 90 percent of sale price

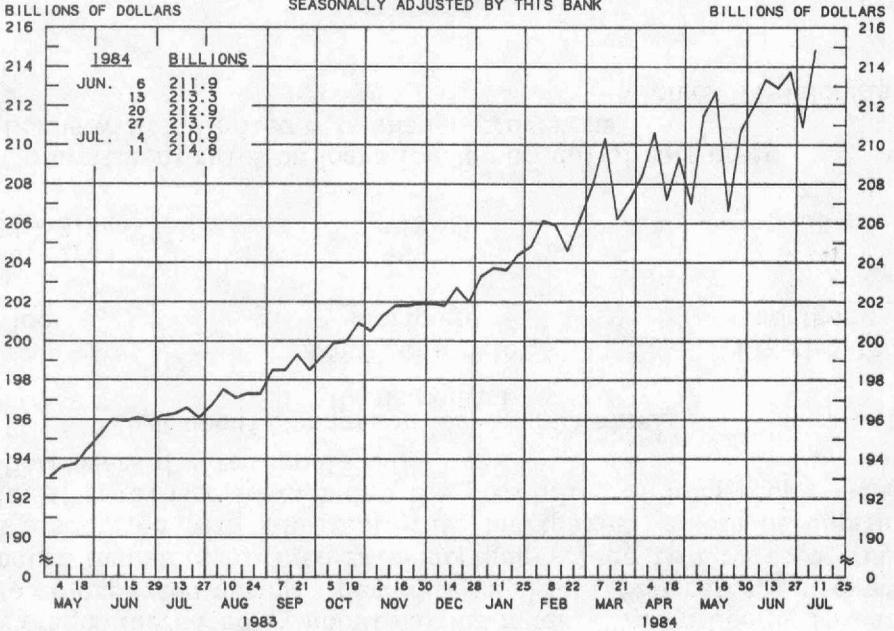
^{2/} Loans with unlimited rate change provisions

—Michael T. Belongia



ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: JULY 11, 1984

THE ADJUSTED MONETARY BASE CONSISTS OF: (1) RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT THE 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:

7/13/83 10/12/83 12/14/83 1/11/84 2/8/84 3/14/84 4/11/84 5/9/84

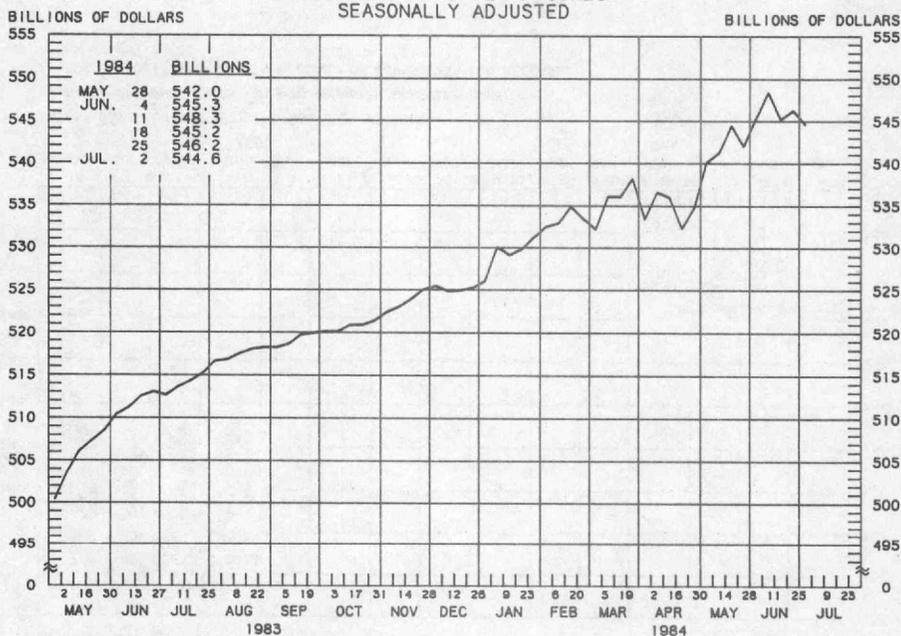
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/14/83	7.1								
1/11/84	7.1	7.6							
2/8/84	7.7	8.7	9.4						
3/14/84	8.6	9.9	11.1	13.2					
4/11/84	8.2	9.1	9.7	10.7	10.0				
5/9/84	7.9	8.5	8.7	9.2	8.3	4.8			
6/13/84	8.0	8.6	8.8	9.2	8.6	6.5	7.1		
7/11/84	8.7	9.4	9.8	10.3	10.0	8.8	10.0	12.5	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 2, 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.

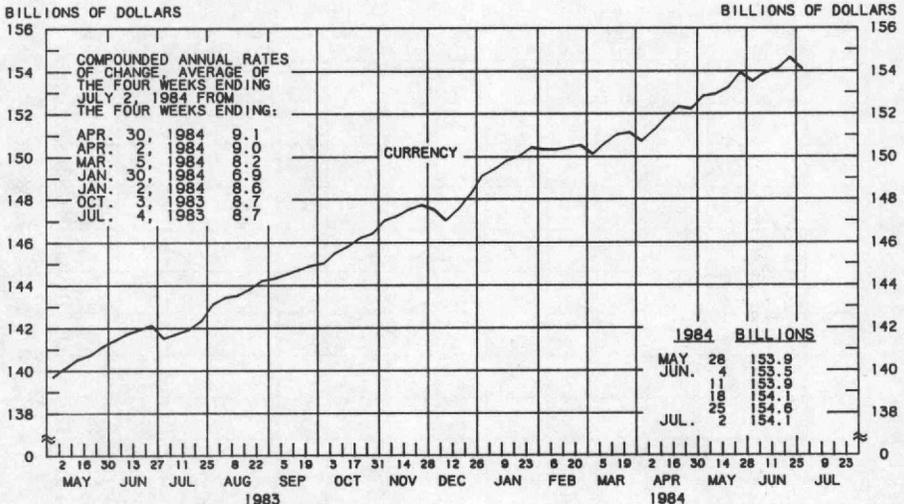
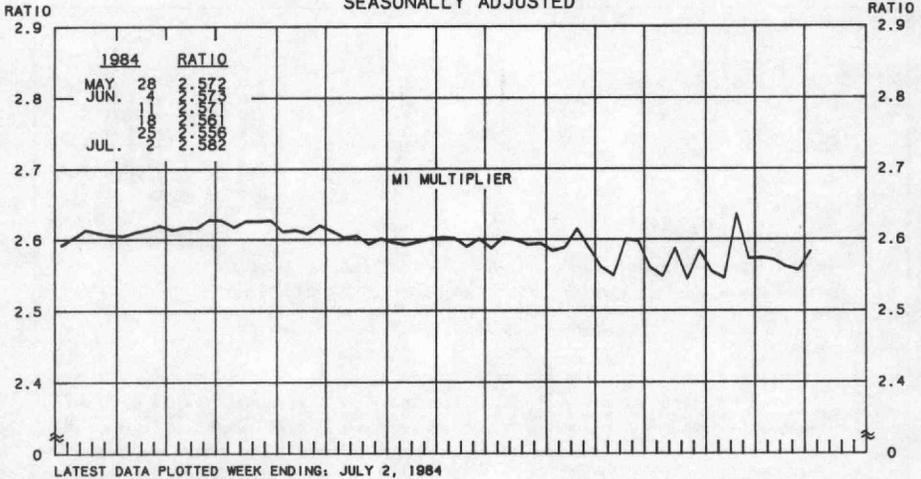
MONEY STOCK (M1)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	7/4/83	10/3/83	12/5/83	1/2/84	1/30/84	3/5/84	4/2/84	4/30/84
12/ 5/83	5.6							
1/ 2/84	5.1	4.4						
1/30/84	6.1	6.2	7.3					
3/ 5/84	6.2	6.3	7.0	9.2				
4/ 2/84	6.2	6.4	6.9	8.4	6.6			
4/30/84	5.4	5.2	5.1	5.8	3.7	2.0		
6/ 4/84	6.6	6.8	7.3	8.3	7.4	7.6	8.1	
7/ 2/84	6.6	6.9	7.3	8.1	7.3	7.5	7.8	12.7

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



LATEST DATA PLOTTED WEEK ENDING: JULY 2, 1984

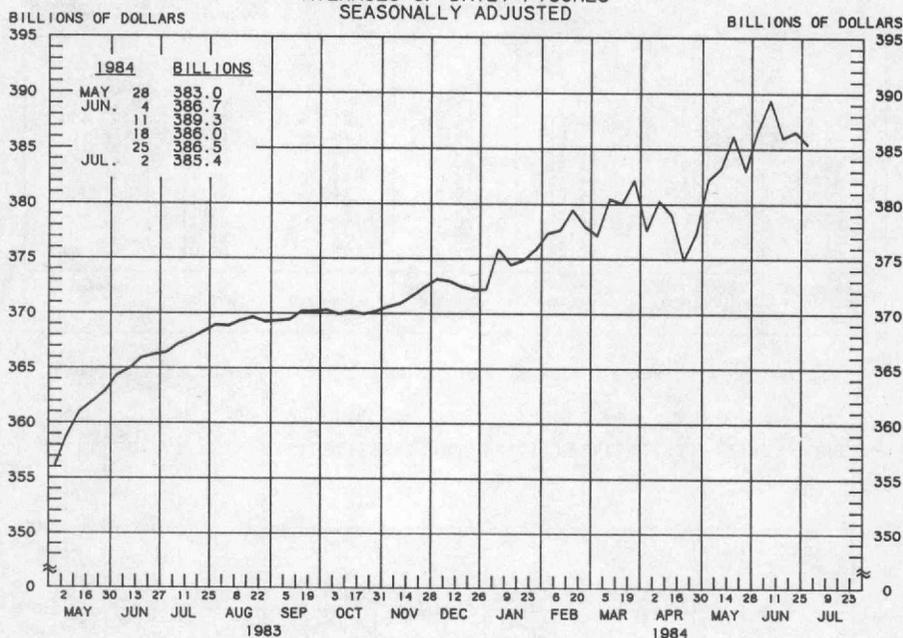
1/ RATIO OF MONEY STOCK (MI) TO ADJUSTED MONETARY BASE

2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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TOTAL CHECKABLE DEPOSITS ^{1/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 2, 1984

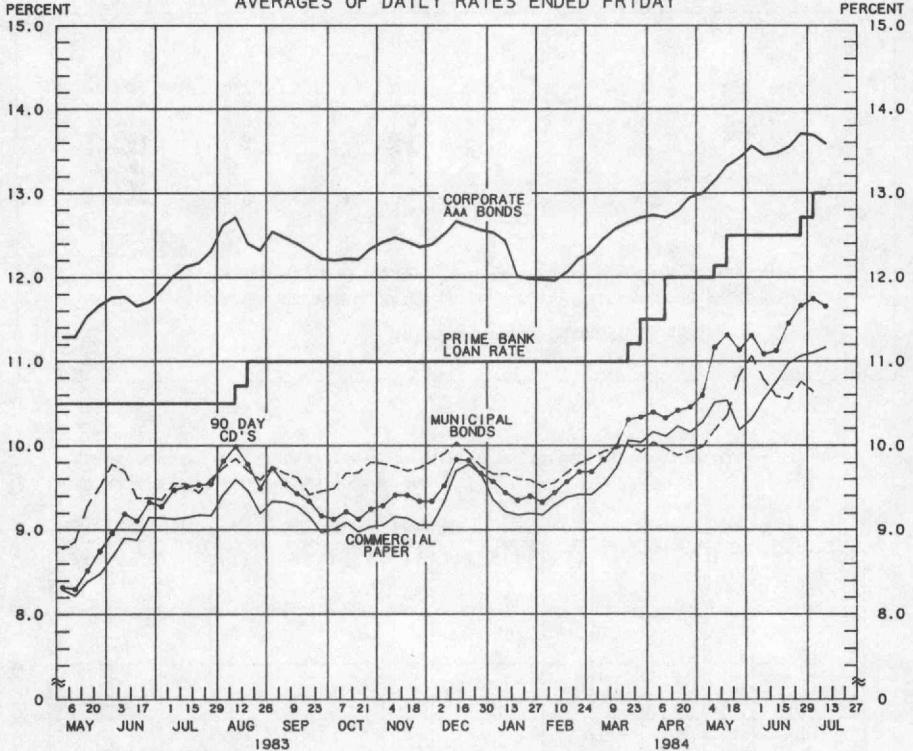
^{1/} DEMAND DEPOSITS PLUS OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS

TOTAL CHECKABLE DEPOSITS								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
	7/4/83	10/3/83	12/5/83	1/2/84	1/30/84	3/5/84	4/2/84	4/30/84
TO THE AVERAGE OF FOUR WEEKS ENDING:								
12/ 5/83	4.0							
1/ 2/84	3.6	2.6						
1/30/84	4.4	4.4	5.7					
3/ 5/84	5.0	5.2	6.6	9.0				
4/ 2/84	5.2	5.5	6.7	8.4	7.6			
4/30/84	4.0	3.7	4.0	4.6	2.9	-0.2		
6/ 4/84	5.6	6.0	7.0	8.0	7.6	7.4	7.5	
7/ 2/84	5.7	6.1	7.0	7.9	7.5	7.3	7.4	14.4

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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 **
MAY	4	10.60	10.28	10.42	13.00	14.46	9.99
	11	11.17	10.52	10.98	13.15	14.61	10.19
	18	11.32	10.54	11.07	13.33	14.75	10.36
	25	11.14	10.19	10.93	13.42	14.91	10.83
JUNE	1	11.31	10.32	10.92	13.56	15.04	11.07
	8	11.09	10.56	10.81	13.46	14.95	10.78
	15	11.13	10.75	10.85	13.48	15.01	10.59
	22	11.46	10.98	11.27	13.55	15.06	10.56
	29	11.67	11.07	11.46	13.71	15.20	10.76
JULY	6	11.75	11.11	11.44	13.69	15.28	10.64
	13 *	11.66	11.17	11.45	13.59	15.19	N.A.
	20						
	27						

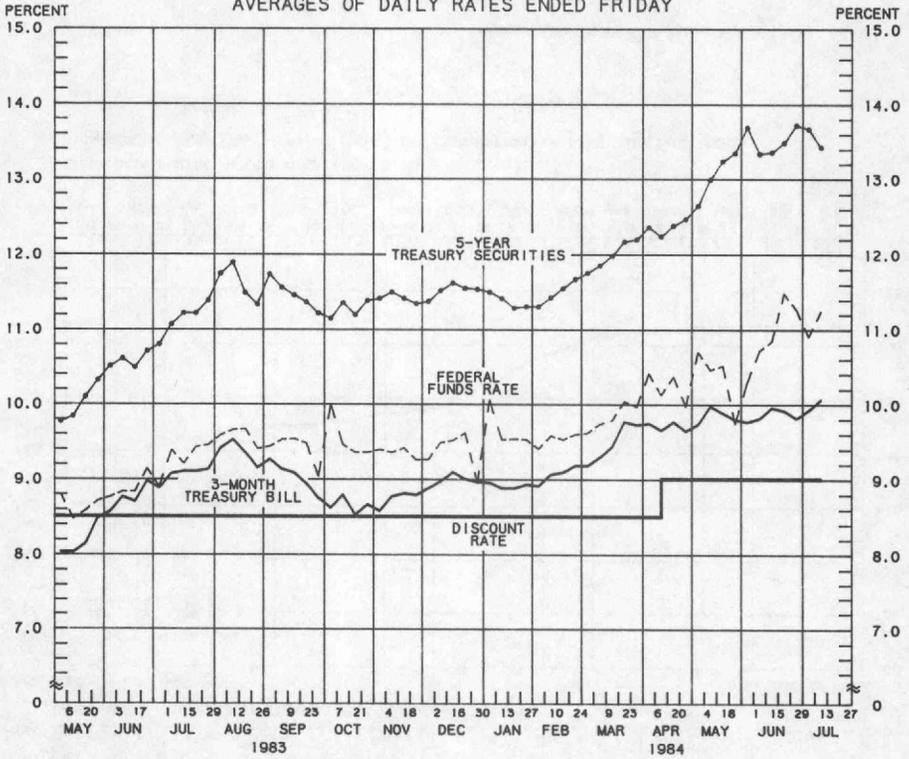
* AVERAGES OF RATES AVAILABLE.

** 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



1984	FEDERAL FUNDS ^{***}	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL ^{***}	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
MAY 4	10.70	9.73	9.88	10.18	12.65	12.85
11	10.46	9.97	10.27	10.46	12.99	13.16
18	10.52	9.88	10.40	10.59	13.24	13.42
25	9.75	9.79	10.38	10.73	13.35	13.49
JUNE 1	10.30	9.76	10.62	10.94	13.69	13.71
8	10.72	9.81	10.57	10.80	13.34	13.38
15	10.85	9.95	10.66	10.87	13.36	13.35
22	11.49	9.91	10.49	10.97	13.49	13.41
29	11.27	9.81	10.49	11.09	13.72	13.62
JULY 6	10.91	9.92	10.54	11.01	13.67	13.65
13 *	11.25	10.06	10.52	10.96	13.43	13.37
20						
27						

* AVERAGES OF RATES AVAILABLE.

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

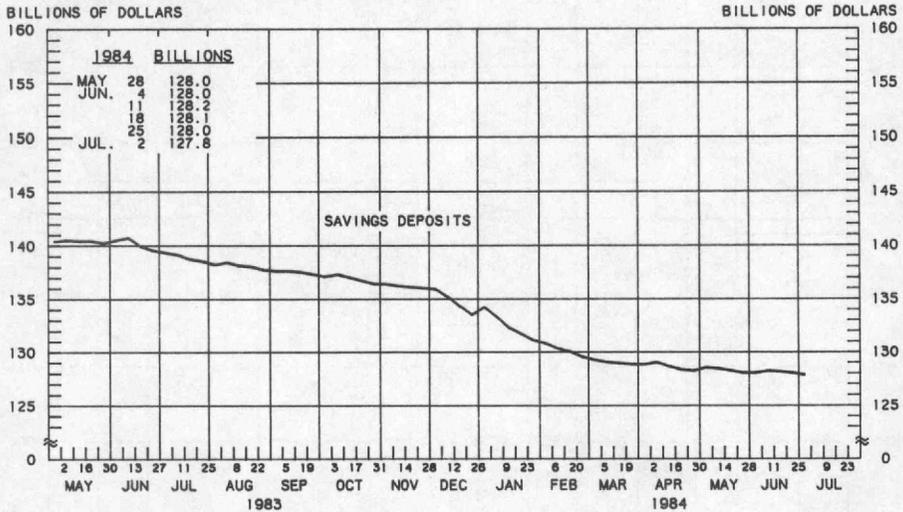
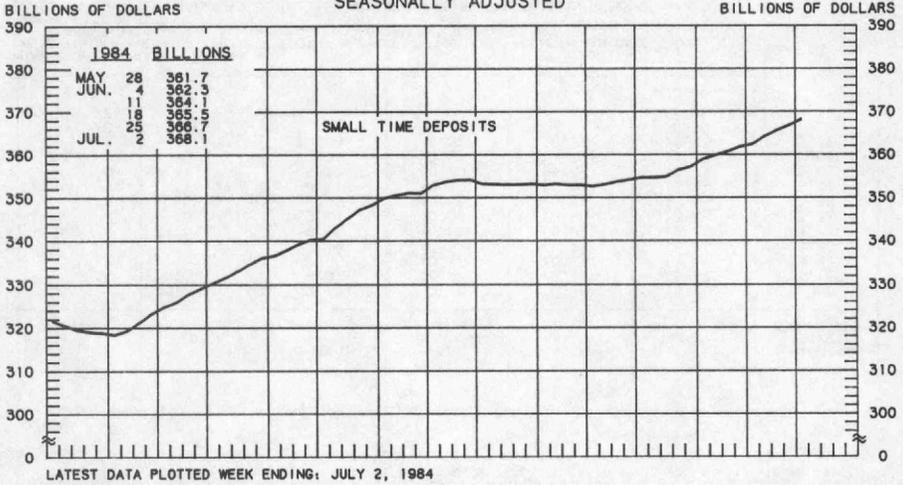
*** CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE.

**** 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.

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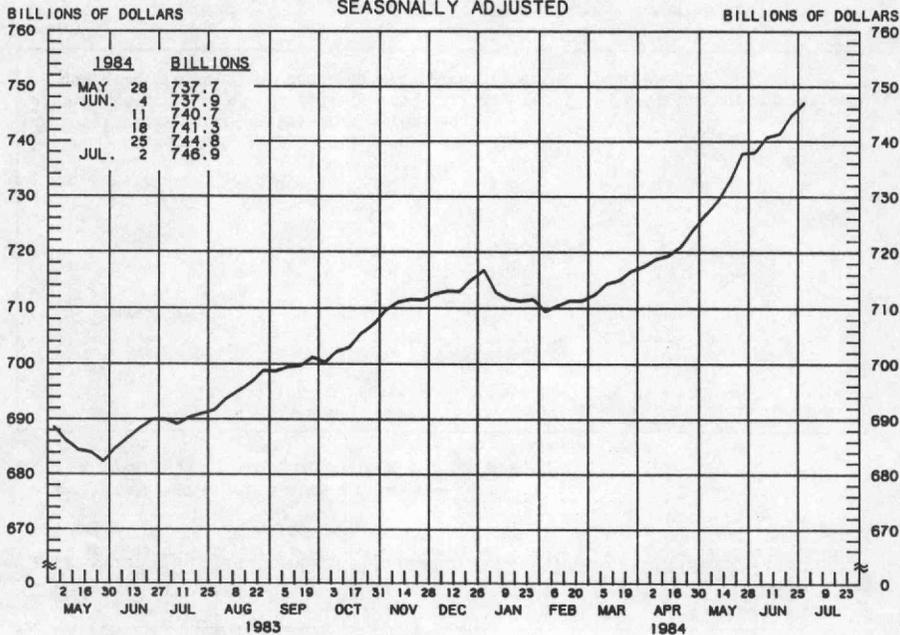
SMALL TIME DEPOSITS \downarrow
COMMERCIAL BANK SAVINGS DEPOSITS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



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

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



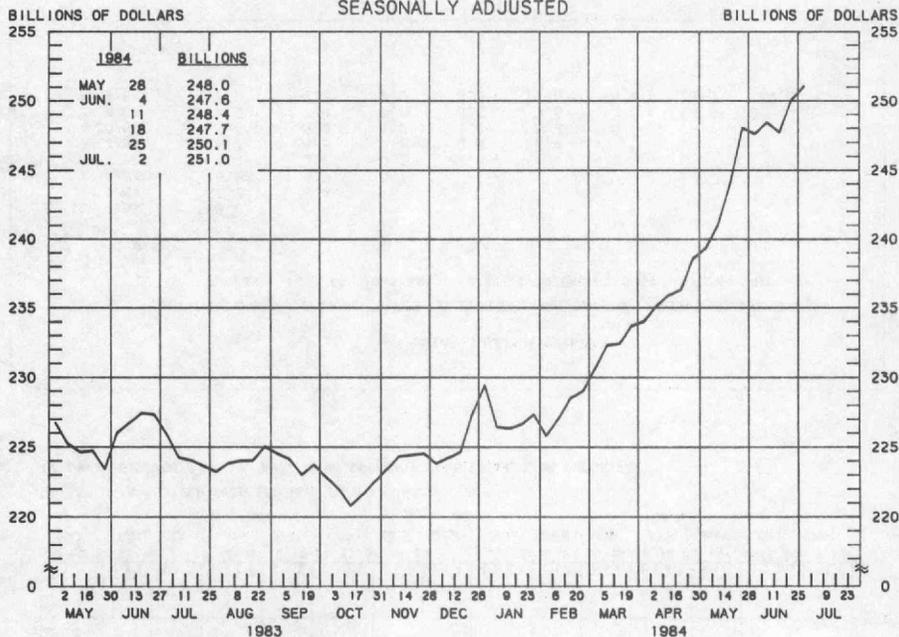
LATEST DATA PLOTTED WEEK ENDING: JULY 2, 1984

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

TOTAL TIME DEPOSITS								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
TO THE AVERAGE OF FOUR WEEKS ENDING:	7/4/83	10/3/83	12/5/83	1/2/84	1/30/84	3/5/84	4/2/84	4/30/84
12/ 5/83	8.0							
1/ 2/84	7.6	8.4						
1/30/84	5.9	5.2	0.1					
3/ 5/84	4.9	3.8	-0.2	-2.5				
4/ 2/84	5.3	4.5	1.8	0.8	3.4			
4/30/84	5.6	5.2	3.2	2.7	5.2	8.9		
6/ 4/84	7.2	7.4	6.5	6.7	9.5	13.6	16.0	
7/ 2/84	7.9	6.3	7.9	8.3	10.8	14.5	16.3	19.6

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



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

		MMDAs 1/	MMMFs 2/	SUPER NOWs 3/
May	21	\$395.2	\$189.5	\$42.4
	28	394.6	191.2	42.1
June	4	395.6	191.3	43.4
	11	395.4	191.1	43.8
	18	393.5	191.3	43.5
July	25	390.6	190.4	42.5
	2	390.3	190.9	43.0

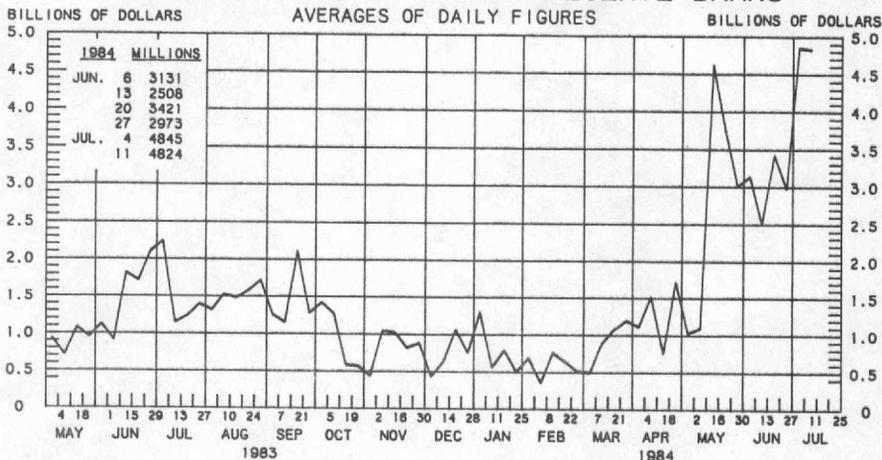
1/ Money market deposit accounts at all depository institutions, effective 12/14/82

2/ Total money market mutual fund balances

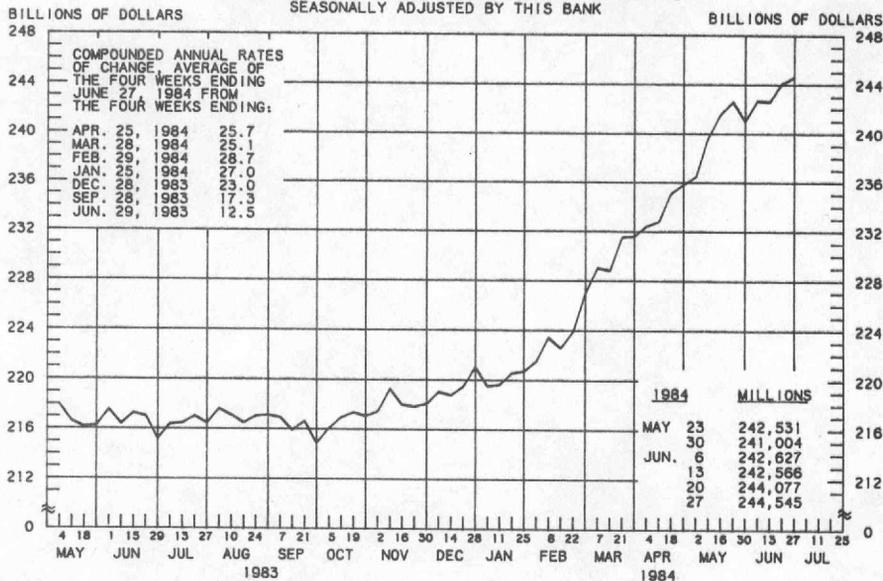
3/ NOW accounts at all depository institutions, requiring a \$2,500 minimum balance and eligible to earn more than 5.25 percent, effective 1/5/83

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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



LATEST DATA PLOTTED WEEK ENDING: JUNE 27, 1984

^{1/} BUSINESS LOANS INCLUDE BANKERS' ACCEPTANCES AND COMMERCIAL PAPER.

^{2/} BANKS WITH DOMESTIC ASSETS GREATER THAN \$1.4 BILLION

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS