

JAN 07 1985

U.S. Financial Data

January 4, 1985

During the second half of 1984, the municipal bond rate declined by approximately 70 basis points. In contrast, the corporate Aaa bond rate and the long-term Treasury securities rate declined by roughly 140 and 190 basis points, respectively. Thus, the spreads between the municipal bond rate and rates of similar maturities have narrowed substantially as the table below indicates.

Spreads between interest rates on municipal bonds and other long-term interest rates typically depend on assessments of risk, the relevant tax rates and the relative supplies of various types of long-term debt instruments. In this case, the smaller spreads are probably due to an increase in the supply of municipal bonds. The average monthly issues for the first seven months of 1984 were \$5.9 billion, while the average issues for August to October were \$9.6 billion. This surge of issues is likely the result of restrictions on municipal bond issuance being imposed in 1985.

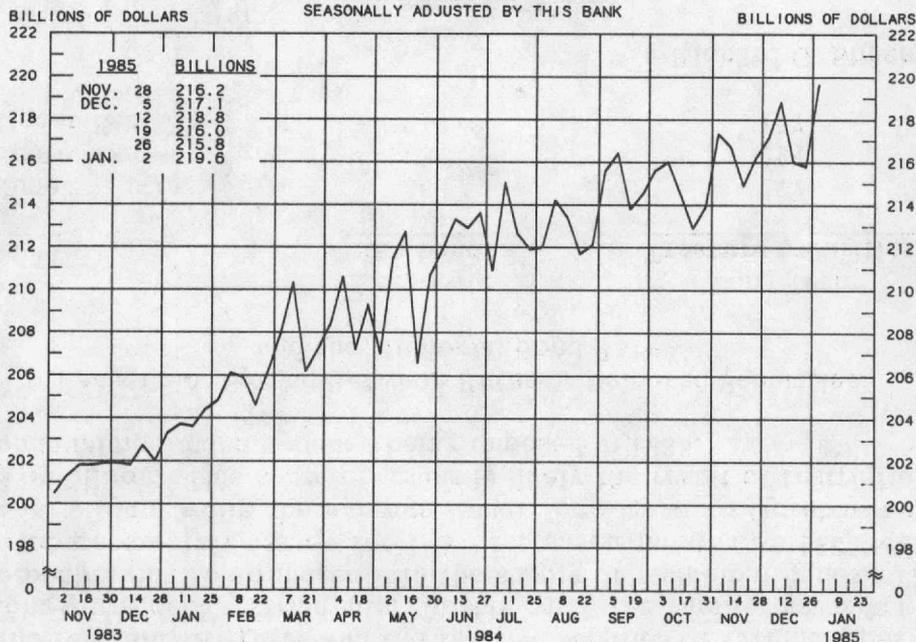
Basis Point Spread Between Rates on Selected Securities and the Municipal Bond Rate

| <u>1984</u> | <u>Corporate Aaa bonds</u> | <u>Long-term Treasury securities</u> |
|-------------|--------------------------------|--|
| June | 288 | 277 |
| September | 256 | 224 |
| December | 218 | 157 |

—Richard G. Sheehan



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.

RECENT DATA ARE PRELIMINARY

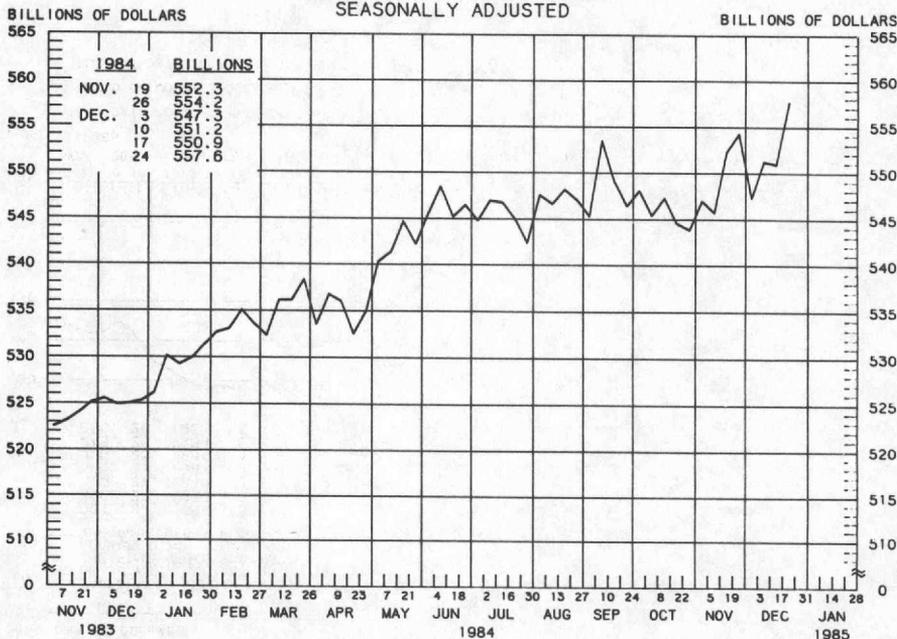
ADJUSTED MONETARY BASE

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

| | 1/4/84 | 4/4/84 | 5/30/84 | 7/4/84 | 8/1/84 | 9/5/84 | 10/3/84 | 10/31/84 |
|--------------------------------------|--------|--------|---------|--------|--------|--------|---------|----------|
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
| 5/30/84 | | 9.9 | | | | | | |
| 7/ 4/84 | | 10.3 | 9.3 | | | | | |
| 8/ 1/84 | | 9.1 | 7.4 | 7.1 | | | | |
| 9/ 5/84 | | 8.0 | 6.0 | 5.0 | 1.4 | | | |
| 10/ 3/84 | | 8.4 | 6.9 | 6.6 | 4.6 | 6.1 | | |
| 10/31/84 | | 7.1 | 5.3 | 4.4 | 2.3 | 2.7 | 3.4 | |
| 12/ 5/84 | | 7.3 | 5.9 | 5.4 | 3.9 | 4.5 | 5.7 | 3.0 |
| 1/ 2/85 | | 7.5 | 6.2 | 5.8 | 4.7 | 5.3 | 6.4 | 4.7 |
| | | | | | | | | 9.2 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 24, 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.

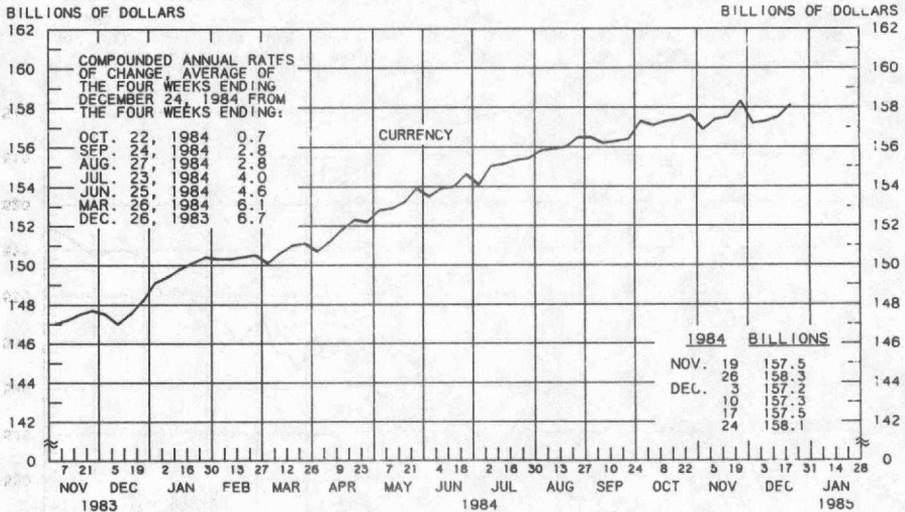
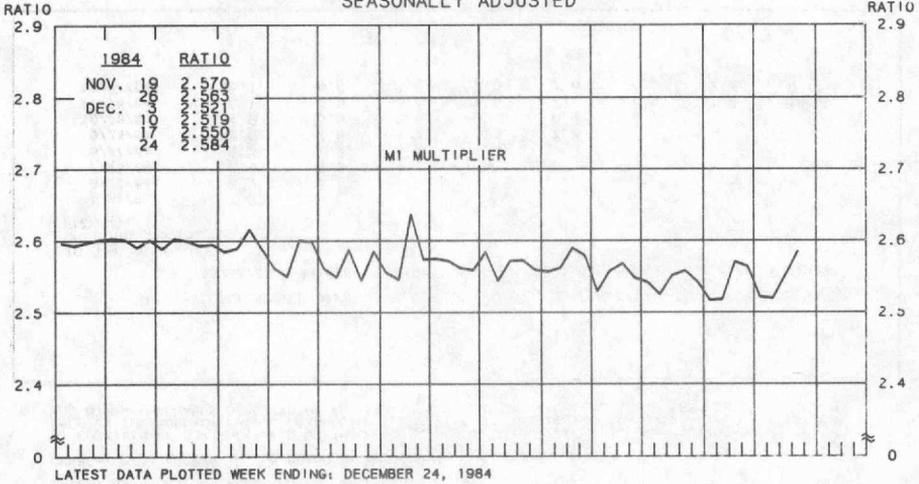
MONEY STOCK (M1)

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

| | 12/26/83 | 3/26/84 | 5/21/84 | 6/25/84 | 7/23/84 | 8/27/84 | 9/24/84 | 10/22/84 |
|--------------------------------------|----------|---------|---------|---------|---------|---------|---------|----------|
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
| 5/21/84 | | 7.3 | | | | | | |
| 6/25/84 | | 8.2 | 8.2 | | | | | |
| 7/23/84 | | 6.9 | 5.9 | 6.1 | | | | |
| 8/27/84 | | 6.3 | 5.2 | 4.9 | 1.0 | | | |
| 9/24/84 | | 6.0 | 4.8 | 4.4 | 1.5 | 2.8 | | |
| 10/22/84 | | 4.9 | 3.5 | 2.6 | -0.1 | 0.3 | -1.2 | |
| 11/26/84 | | 5.1 | 3.9 | 3.4 | 1.5 | 2.1 | 1.8 | 1.4 |
| 12/24/84 | | 5.1 | 4.0 | 3.6 | 2.0 | 2.6 | 2.5 | 2.4 |
| | | | | | | | | 6.0 |

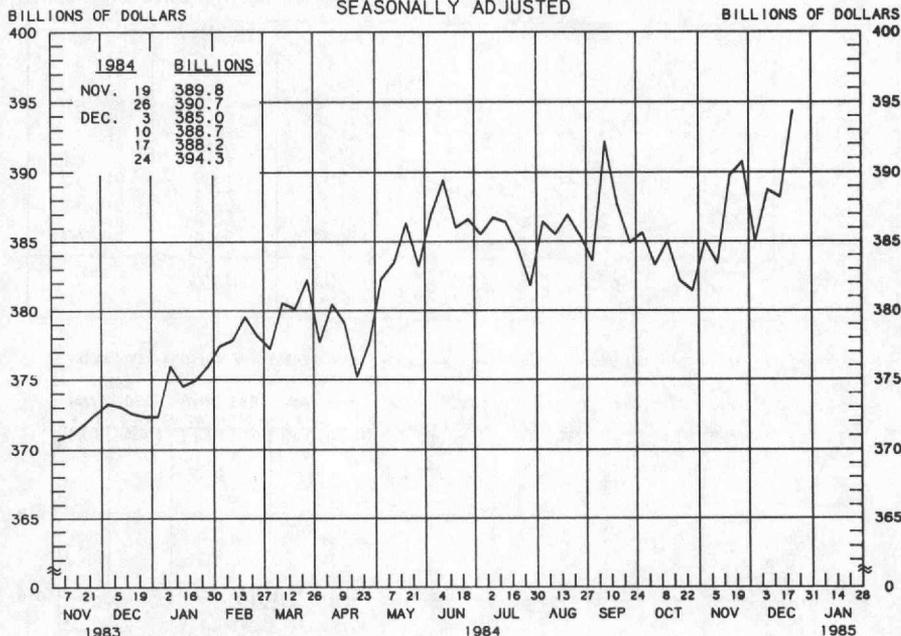
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MONEY MULTIPLIER ^{1/}
 CURRENCY COMPONENT OF MONEY STOCK ^{2/}
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



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

TOTAL CHECKABLE DEPOSITS ^{1/}
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 24, 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:

12/26/83 3/26/84 5/21/84 6/25/84 7/23/84 8/27/84 9/24/84 10/22/84

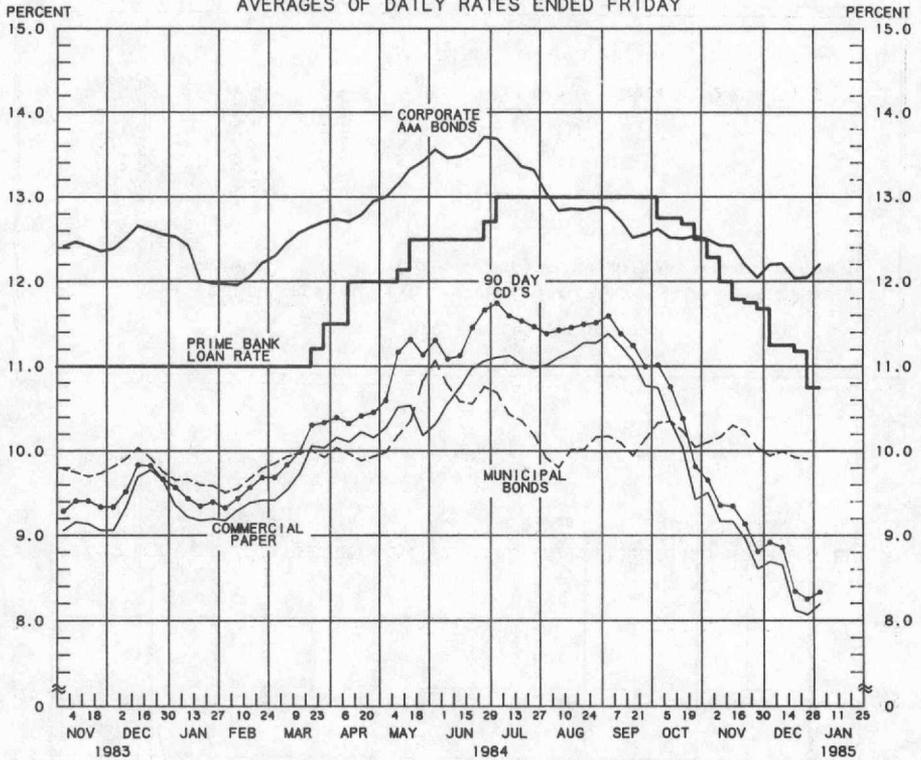
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

| | | | | | | | | |
|----------|-----|-----|-----|------|------|------|-----|-----|
| 5/21/84 | 6.5 | | | | | | | |
| 6/25/84 | 7.9 | 7.8 | | | | | | |
| 7/23/84 | 6.1 | 4.7 | 5.2 | | | | | |
| 8/27/84 | 5.3 | 3.8 | 3.6 | -1.6 | | | | |
| 9/24/84 | 5.1 | 3.8 | 3.6 | -0.1 | 2.0 | | | |
| 10/22/84 | 3.6 | 1.8 | 1.0 | -2.5 | -1.9 | -3.5 | | |
| 11/26/84 | 4.2 | 2.8 | 2.4 | 0.0 | 1.1 | 1.1 | 0.1 | |
| 12/24/84 | 4.4 | 3.2 | 3.0 | 1.0 | 2.0 | 2.4 | 2.1 | 7.9 |

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



| 1985 | 90 DAY CD'S | 30-DAY COMMERCIAL PAPER | 90-DAY BANKERS' ACCEPTANCES | CORPORATE AAA BONDS | CORPORATE BAA BONDS | MUNICIPAL BONDS ** |
|----------|-------------|-------------------------|-----------------------------|---------------------|---------------------|--------------------|
| NOV. 2 | 9.66 | 9.51 | 9.51 | 12.50 | 13.61 | 10.11 |
| 9 | 9.36 | 9.17 | 9.14 | 12.43 | 13.55 | 10.17 |
| 16 | 9.35 | 9.17 | 9.17 | 12.42 | 13.52 | 10.31 |
| 23 | 9.14 | 8.96 | 8.94 | 12.20 | 13.48 | 10.24 |
| 30 | 8.81 | 8.61 | 8.68 | 12.05 | 13.33 | 10.04 |
| DEC. 7 | 8.92 | 8.69 | 8.74 | 12.20 | 13.42 | 9.95 |
| 14 | 8.86 | 8.65 | 8.71 | 12.21 | 13.43 | 10.00 |
| 21 | 8.34 | 8.12 | 8.21 | 12.04 | 13.35 | 9.93 |
| 28 | 8.25 | 8.07 | 8.14 | 12.05 | 13.39 | 9.91 |
| JAN. 4 * | 8.33 | 8.19 | 8.20 | 12.20 | 13.42 | N.A. |
| 11 | | | | | | |
| 18 | | | | | | |
| 25 | | | | | | |

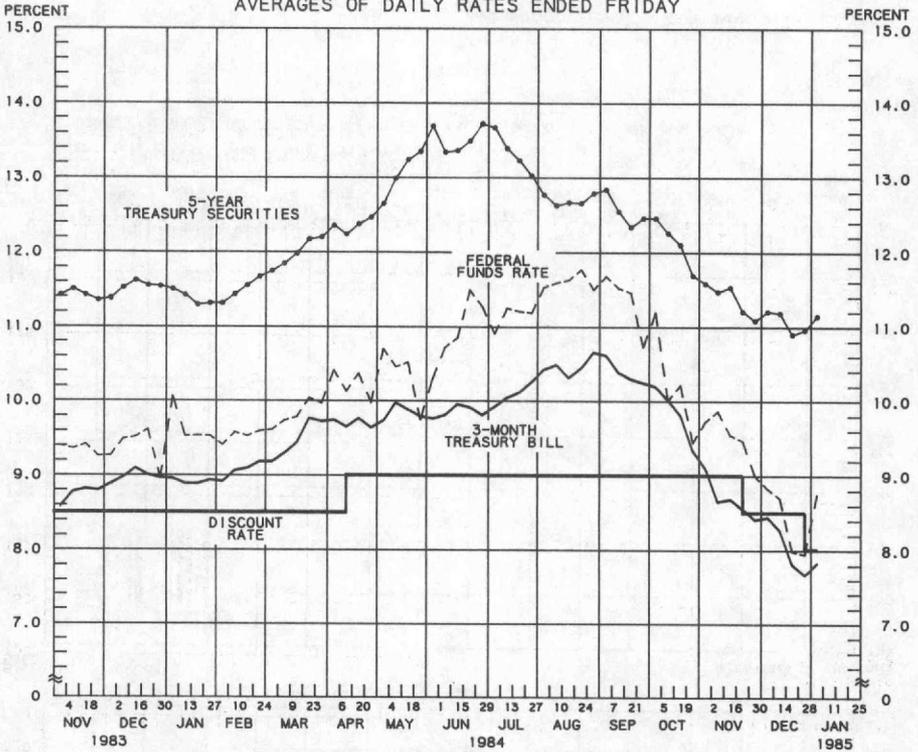
* AVERAGES OF RATES AVAILABLE.

** 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



| 1985 | FEDERAL FUNDS *** | 3-MONTH TREASURY BILL | 6-MONTH TREASURY BILL *** | 1-YEAR TREASURY BILL | 5-YEAR TREASURY SECURITIES | LONG-TERM TREASURY SECURITIES |
|----------|------------------------------|-----------------------|--------------------------------------|----------------------|----------------------------|-------------------------------|
| NOV. 2 | 9.73 | 9.10 | 9.59 | 9.43 | 11.58 | 11.64 |
| 9 | 9.87 | 8.65 | 9.07 | 9.15 | 11.47 | 11.65 |
| 16 | 9.55 | 8.68 | 8.99 | 9.15 | 11.53 | 11.73 |
| 23 | 9.47 | 8.55 | 8.79 | 8.85 | 11.21 | 11.47 |
| 30 | 9.00 | 8.41 | 8.50 | 8.78 | 11.09 | 11.43 |
| DEC. 7 | 8.83 | 8.44 | 8.67 | 8.86 | 11.21 | 11.60 |
| 14 | 8.70 | 8.27 | 8.57 | 8.73 | 11.19 | 11.61 |
| 21 | 7.99 | 7.81 | 8.15 | 8.37 | 10.90 | 11.39 |
| 28 | 7.95 | 7.67 | 8.04 | 8.40 | 10.95 | 11.44 |
| JAN. 4 * | 8.75 | 7.83 | 8.19 | 8.48 | 11.15 | 11.65 |
| 11 | | | | | | |
| 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.

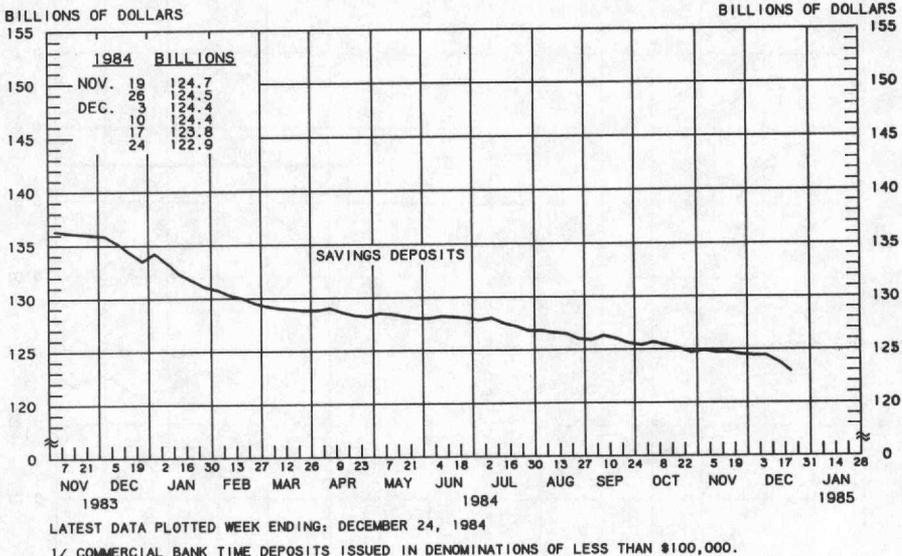
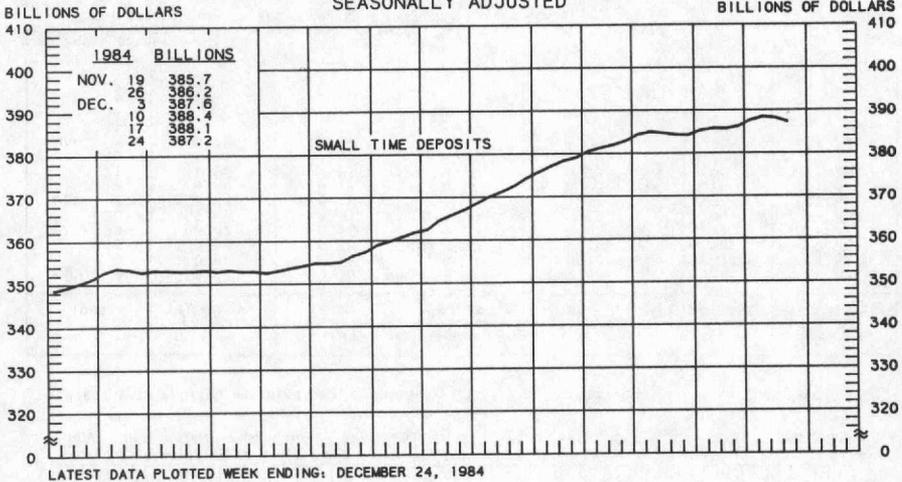
**** NEW ISSUE RATE

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

TREASURY BILL YIELDS ON DISCOUNT BASIS.

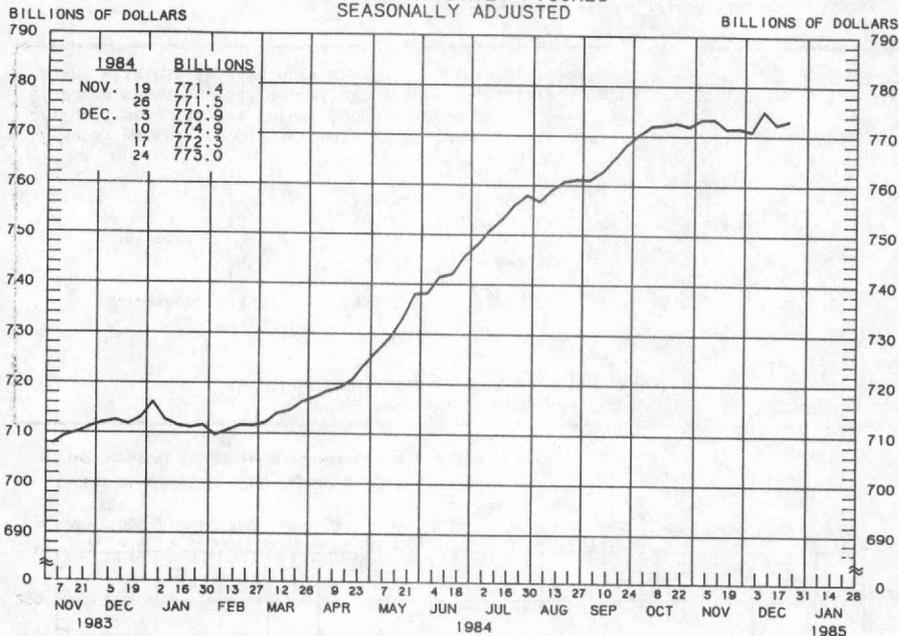
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SMALL TIME DEPOSITS^{1/}
COMMERCIAL BANK SAVINGS DEPOSITS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



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



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 24, 1984

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

TOTAL TIME DEPOSITS

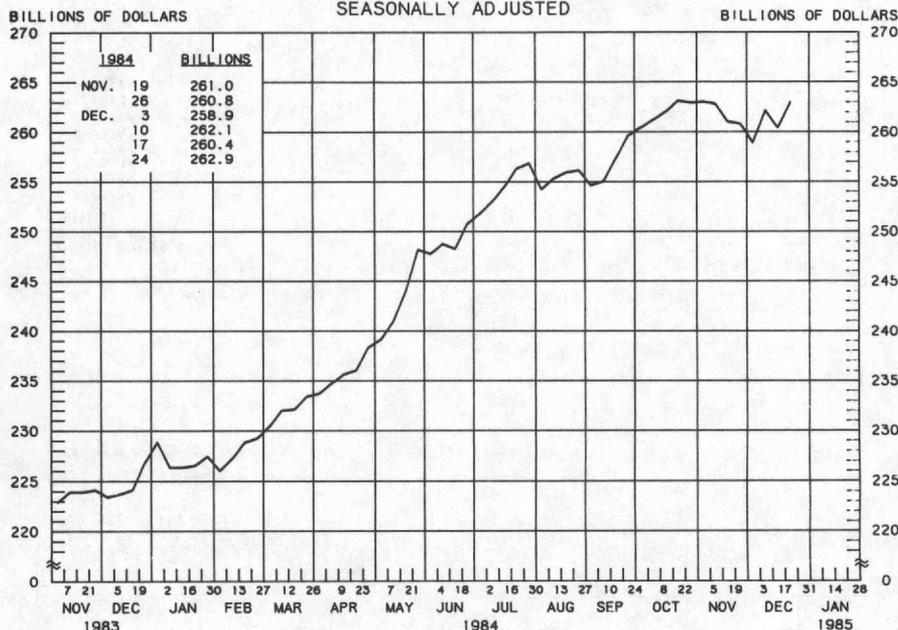
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

| | 12/26/83 | 3/26/84 | 5/21/84 | 6/25/84 | 7/23/84 | 8/27/84 | 9/24/84 | 10/22/84 |
|----------|----------|---------|---------|---------|---------|---------|---------|----------|
| 5/21/84 | | 5.6 | | | | | | |
| 6/25/84 | | 8.5 | 16.3 | | | | | |
| 7/23/84 | | 9.9 | 17.0 | 20.5 | | | | |
| 8/27/84 | | 10.0 | 15.6 | 16.9 | 14.5 | | | |
| 9/24/84 | | 9.9 | 14.5 | 15.0 | 12.7 | 9.8 | | |
| 10/22/84 | | 10.2 | 14.3 | 14.7 | 12.8 | 10.9 | 11.0 | |
| 11/26/84 | | 9.2 | 12.3 | 12.0 | 10.0 | 8.0 | 7.0 | 6.3 |
| 12/24/84 | | 8.5 | 11.1 | 10.5 | 8.5 | 6.7 | 5.5 | 4.5 |
| | | | | | | | | 0.8 |

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: DECEMBER 24, 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/ |
|----------|----|----------|----------|---------------|
| November | 12 | \$395.5 | \$218.0 | \$46.1 |
| | 19 | 397.4 | 220.8 | 46.1 |
| | 26 | 399.7 | 223.8 | 45.8 |
| December | 3 | 402.9 | 226.6 | 46.5 |
| | 10 | 406.8 | 228.9 | 47.5 |
| | 17 | 409.1 | 230.8 | 47.4 |
| | 24 | 411.2 | 232.5 | 47.6 |

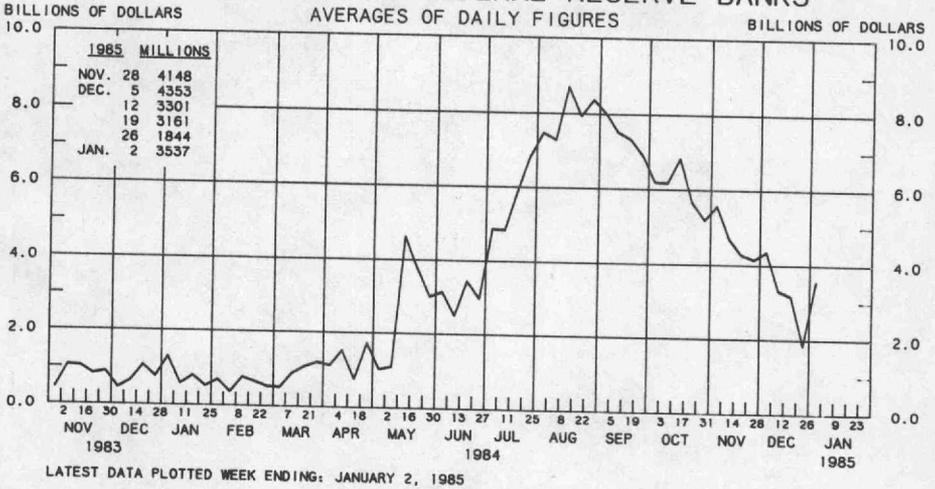
1/ Money market deposit accounts at all depository institutions, effective 12/14/82

2/ Total money market mutual fund balances

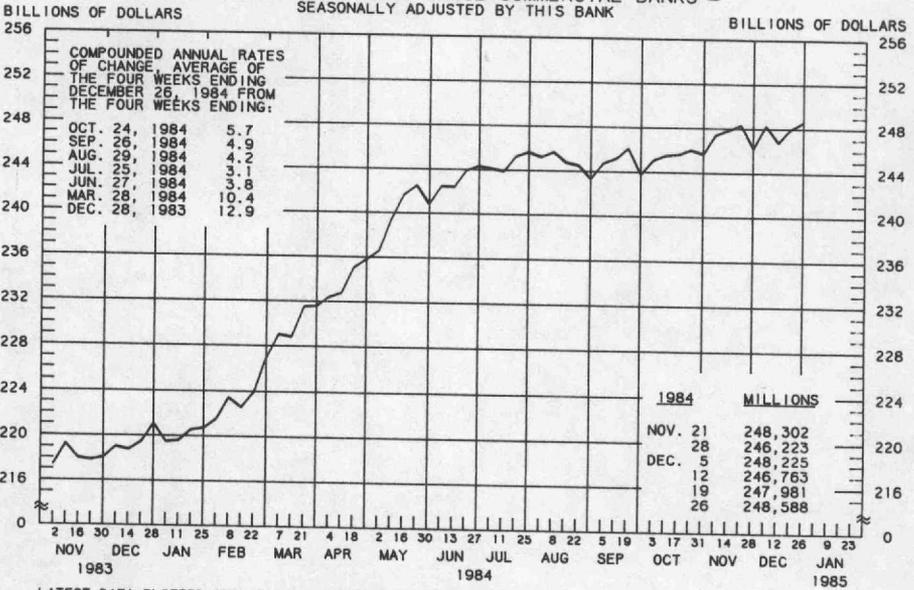
3/ NOW accounts at all depository institutions, requiring a \$2,500 minimum balance and eligible to earn more than 5.25 percent, effective 1/5/83

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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: DECEMBER 26, 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