

RESEARCH LIBRARY
Federal Reserve Bank
of St. Louis

U.S. Financial Data

JUL 01 1985

June 27, 1985

Interest rates have declined substantially over the past three months (see pages 6 and 7); for example, rates on federal funds, 30-day commercial paper and 3-month Treasury bills have declined more than 150 basis points since the middle of March. Over the same period, the money stock (M1) has risen at an 11.7 percent annual rate. This combination of fast money growth and declines in interest rates is often considered to represent the usual short-run relationship between money growth and interest rates. While this pattern does occur from time to time, it does not describe the typical short-run relationship between interest rates and money growth over the past year and a half.

The table on the back page presents data on M1 growth and changes in short-term interest rates over three-month periods since the end of 1983. The evidence indicates that the most recent period is an anomaly when compared to prior periods. In general, faster M1 growth has been accompanied by rising interest rates and slower M1 growth by stable or declining rates. For example, the largest declines in rates occurred during the period of slowest M1 growth.

(continued on back page)

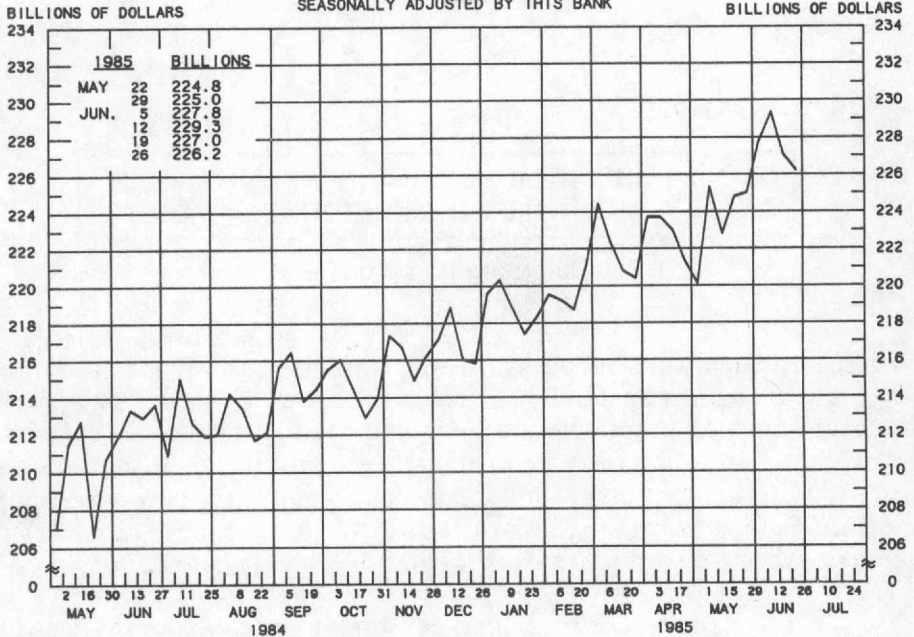
DUE TO THE HOLIDAY ON THURSDAY, NEXT
WEEK'S RELEASE WILL BE PUBLISHED LATE.

—Courtenay C. Stone



ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: JUNE 26, 1985

THE ADJUSTED MONETARY BASE IS THE SUM OF RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS) AND 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.

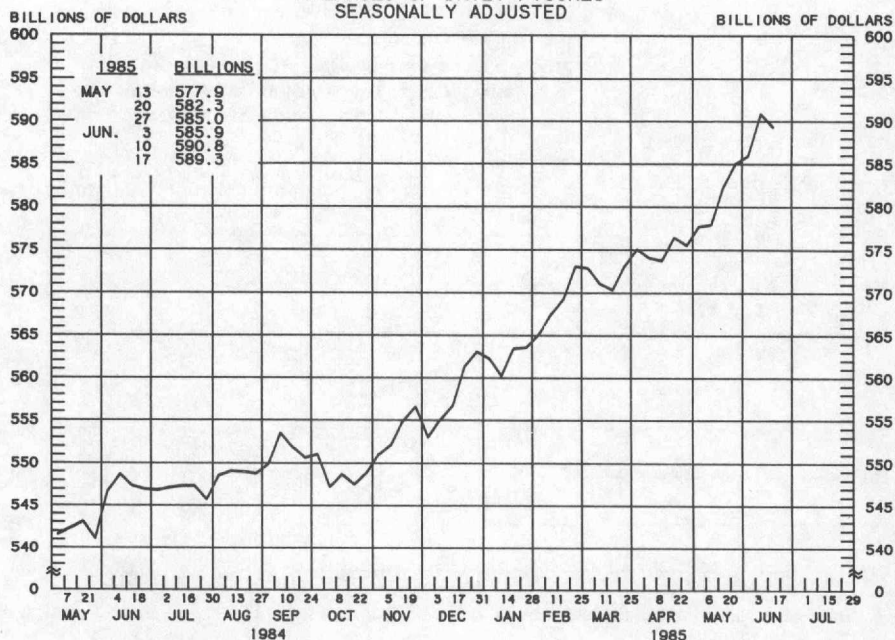
ADJUSTED MONETARY BASE

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

	6/27/84	9/26/84	11/28/84	12/26/84	1/23/85	2/27/85	3/27/85	4/24/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/28/84	3.8							
12/26/84	3.8	3.4						
1/23/85	5.0	5.7	8.4					
2/27/85	4.7	5.0	6.2	7.4				
3/27/85	5.7	6.5	8.3	9.7	8.2			
4/24/85	5.7	6.4	7.7	8.7	7.3	10.2		
5/29/85	5.9	6.6	7.7	8.5	7.4	9.2	6.7	
6/26/85	6.9	7.8	9.2	10.1	9.5	11.6	10.5	12.8

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 17, 1985

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

M1 IS THE SUM OF CURRENCY HELD BY THE NONBANK PUBLIC, DEMAND DEPOSITS, OTHER CHECKABLE DEPOSITS AND TRAVELERS CHECKS.

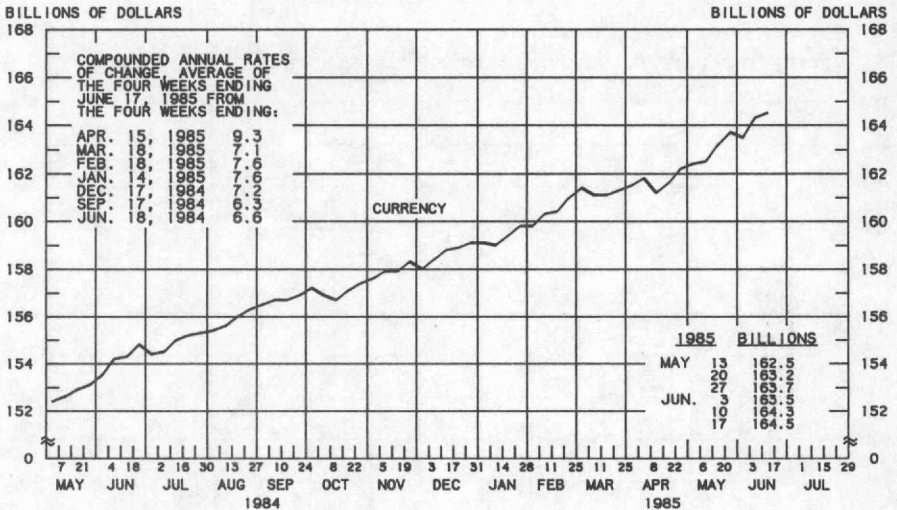
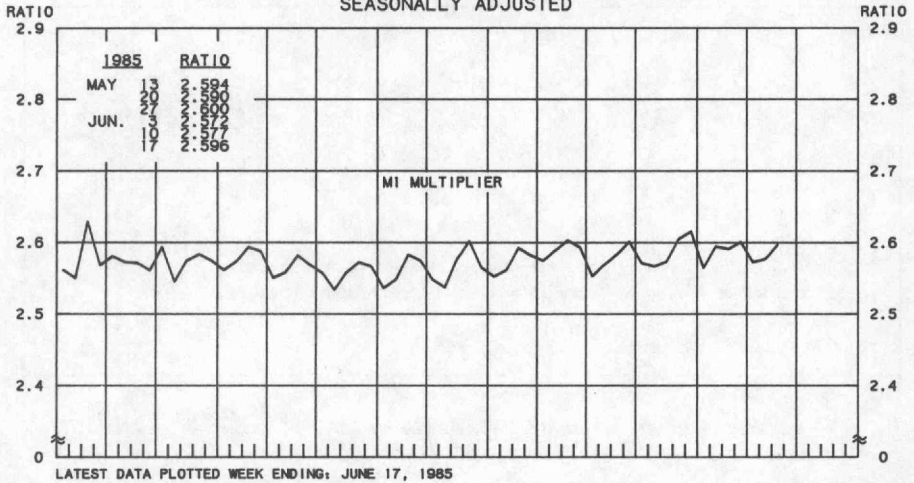
MONEY STOCK (M1)

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

	6/18/84	9/17/84	11/19/84	12/17/84	1/14/85	2/18/85	3/18/85	4/15/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/19/84	2.5							
12/17/84	3.5	3.2						
1/14/85	5.1	6.1	12.4					
2/18/85	5.6	6.7	11.0	12.0				
3/18/85	6.4	7.7	11.6	12.4	10.8			
4/15/85	6.3	7.4	10.3	10.7	9.1	9.2		
5/20/85	6.5	7.5	9.9	10.1	8.8	8.8	6.9	
6/17/85	7.7	9.0	11.6	12.0	11.3	12.1	11.7	14.7

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



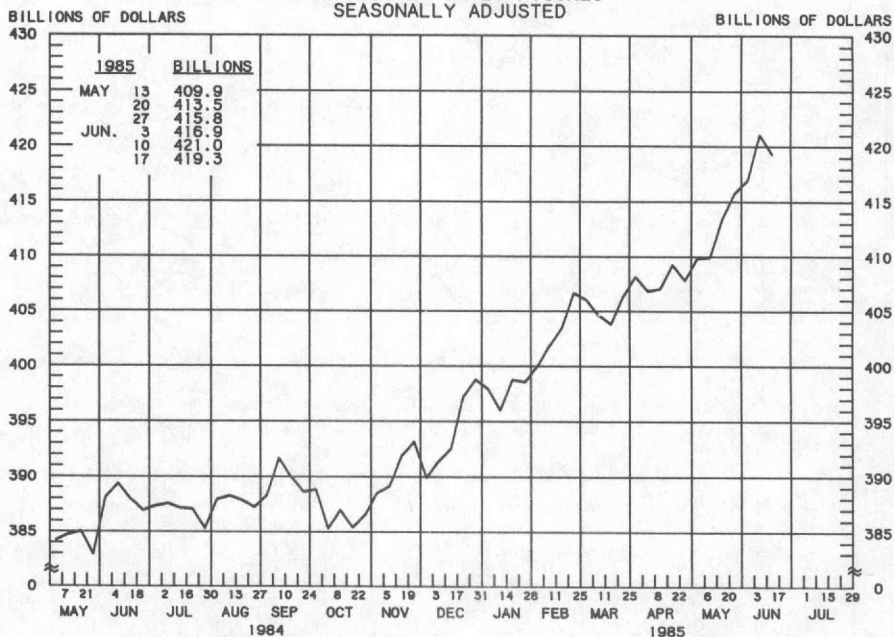
LATEST DATA PLOTTED WEEK ENDING: JUNE 17, 1985

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

TOTAL CHECKABLE DEPOSITS **AVERAGES OF DAILY FIGURES** **SEASONALLY ADJUSTED**



LATEST DATA PLOTTED WEEK ENDING: JUNE 17, 1985

TOTAL CHECKABLE DEPOSITS IS THE SUM OF DEMAND DEPOSITS AND OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS.

TOTAL CHECKABLE DEPOSITS

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

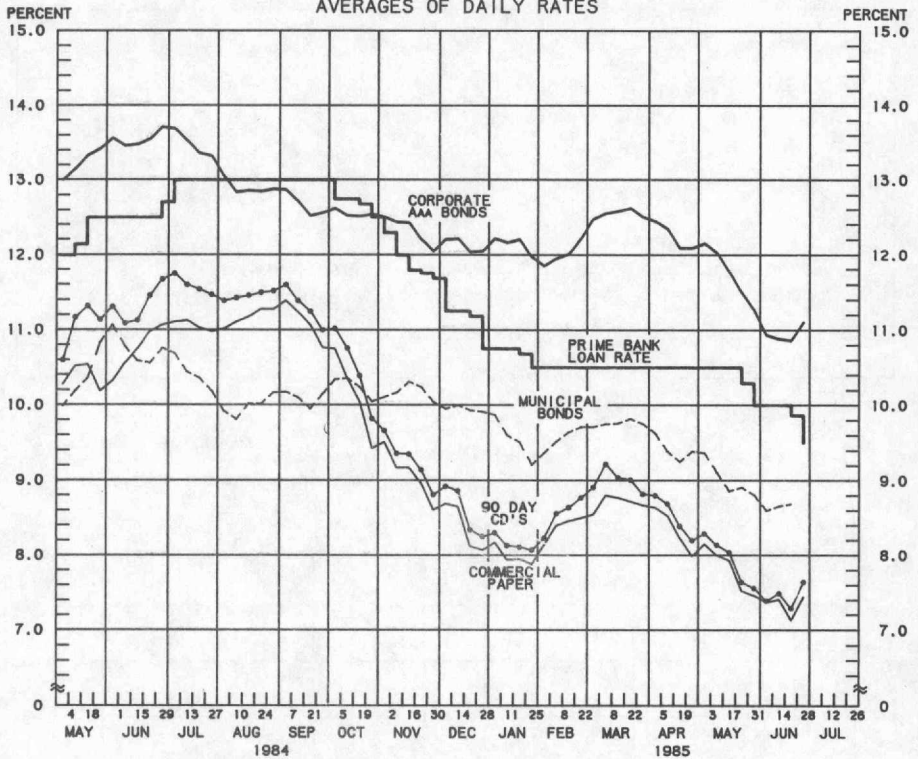
6/18/84 9/17/84 11/19/84 12/17/84 1/14/85 2/18/85 3/18/85 4/15/85

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/19/84	1.2							
12/17/84	2.4							
1/14/85	4.7	2.6						
2/18/85	5.3	7.3	15.1					
3/18/85	6.3	8.4	12.8	14.4				
4/15/85	6.3	8.1	13.4	14.6	11.9			
5/20/85	6.5	8.2	11.9	12.5	10.0	10.5		
6/17/85	8.1	10.1	11.3	11.6	9.6	9.7	7.3	
			13.4	14.0	12.8	13.9	13.5	17.0

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YIELDS ON SELECTED SECURITIES AVERAGES OF DAILY RATES



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 28, 1985.

1985	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ***
MAY 3	8.29	8.15	8.15	12.15	13.44	9.37
10	8.14	8.00	8.05	12.03	13.39	9.11
17	8.04	7.93	7.86	11.77	13.24	8.86
24	7.64	7.52	7.53	11.50	13.02	8.91
31	7.56	7.46	7.45	11.27	12.69	8.81
JUNE 7	7.39	7.37	7.32	10.93	12.36	8.60
14	7.49	7.41	7.39	10.88	12.32	8.66
21	7.29	7.13	7.21	10.86	12.37	8.69
28 *	7.64	7.44	7.48	11.10	12.56	N.A.
JULY 5						
12						
19						
26						

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

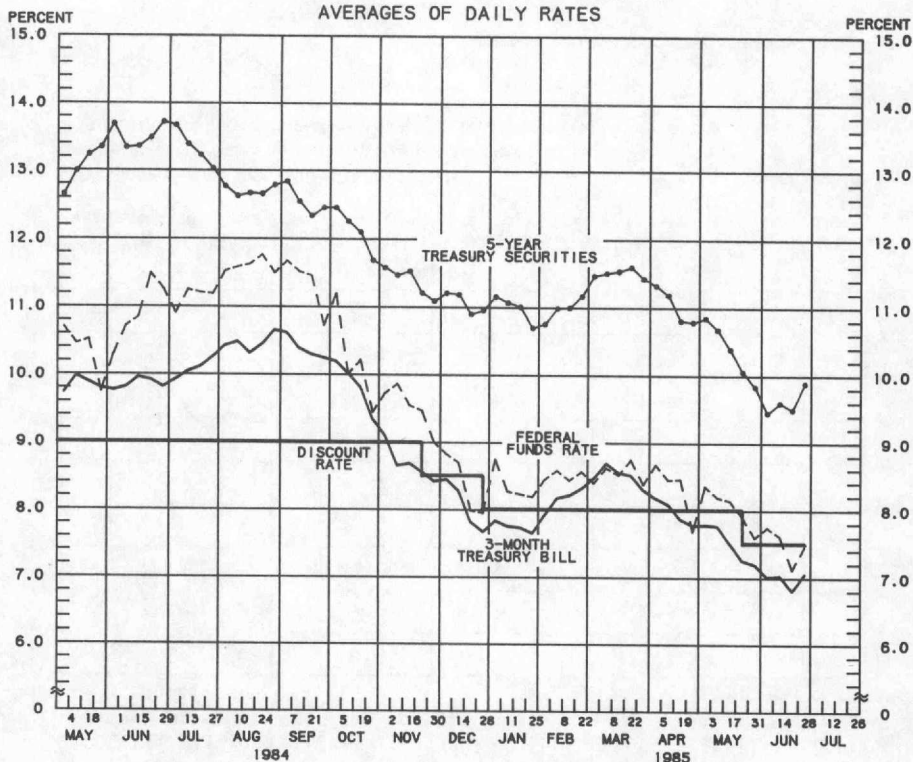
* AVERAGES OF RATES AVAILABLE

*** 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



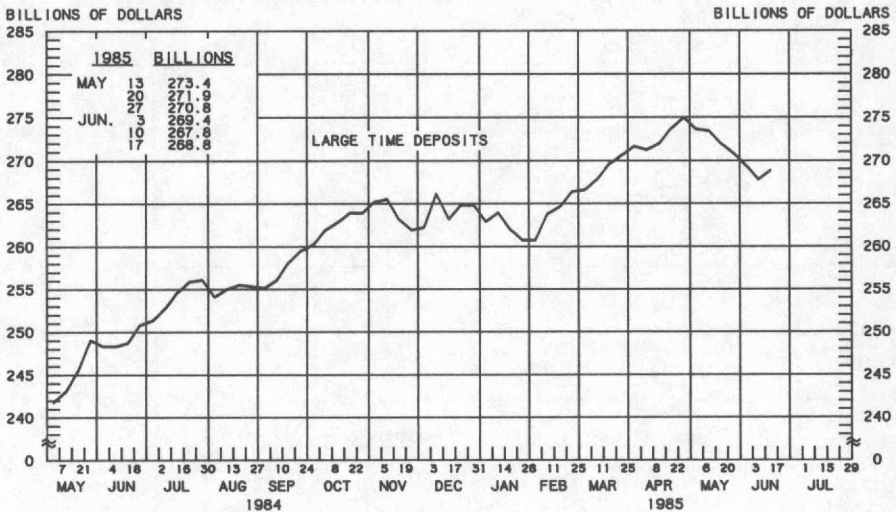
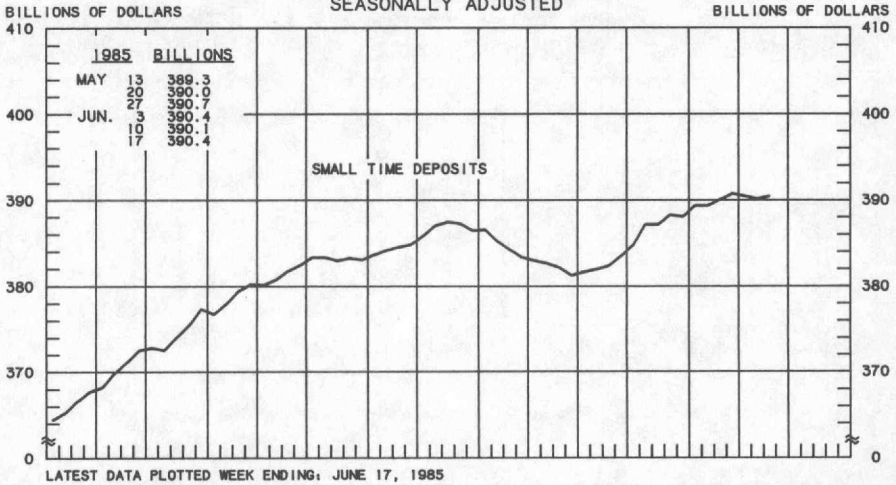
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 28, 1985.

1985	FEDERAL FUNDS %	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
MAY 3	8.35	7.78	8.11	8.25	10.85	11.49
10	8.19	7.76	7.93	8.09	10.68	11.36
17	8.14	7.50	7.90	7.90	10.39	11.13
24	7.91	7.25	7.43	7.63	10.06	10.99
31	7.60	7.19	7.39	7.53	9.84	10.70
JUNE 7	7.75	7.01	7.16	7.25	9.45	10.38
14	7.62	7.03	7.35	7.31	9.60	10.45
21	7.13	6.81	6.90	7.14	9.50	10.41
28 *	7.46	7.05	7.24	7.44	9.89	10.75
JULY 5						
12						
19						
26						

NOTE: CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE EXCLUDING LONG-TERM TREASURY SECURITIES WHICH ARE COMPUTED BY THIS BANK. TREASURY BILL YIELDS ARE ON A DISCOUNT BASIS.
 * AVERAGES OF RATES AVAILABLE
 ** SEVEN-DAY AVERAGES FOR WEEK ENDING TWO DAYS EARLIER THAN DATE SHOWN
 *** AUCTION AVERAGE (DISCOUNT)

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

COMMERCIAL BANK
 SMALL TIME DEPOSITS 1/
 LARGE TIME DEPOSITS 2/
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



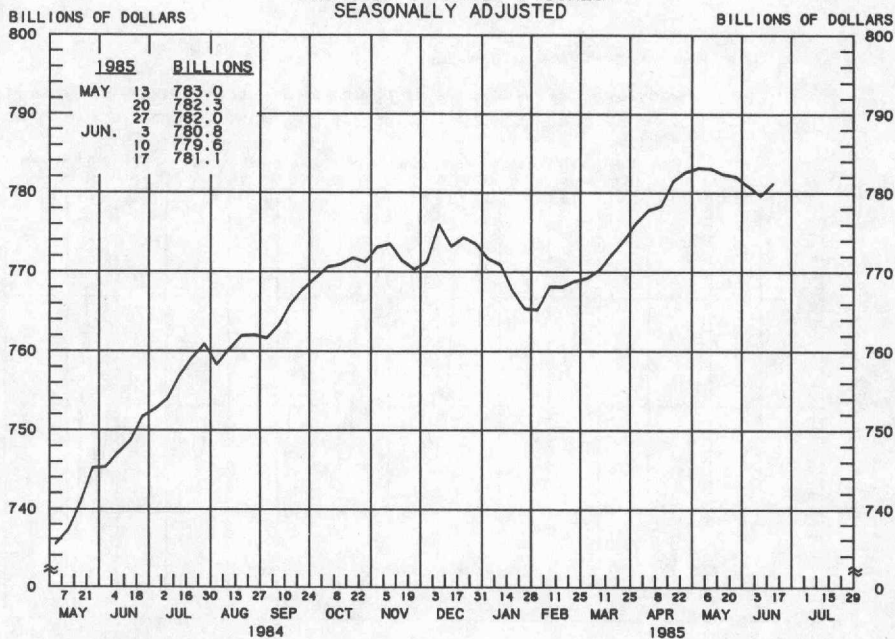
LATEST DATA PLOTTED WEEK ENDING: JUNE 17, 1985

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

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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

COMMERCIAL BANK TOTAL TIME DEPOSITS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 17, 1985

TOTAL TIME IS THE SUM OF SAVINGS DEPOSITS, SMALL TIME DEPOSITS AND LARGE TIME DEPOSITS.

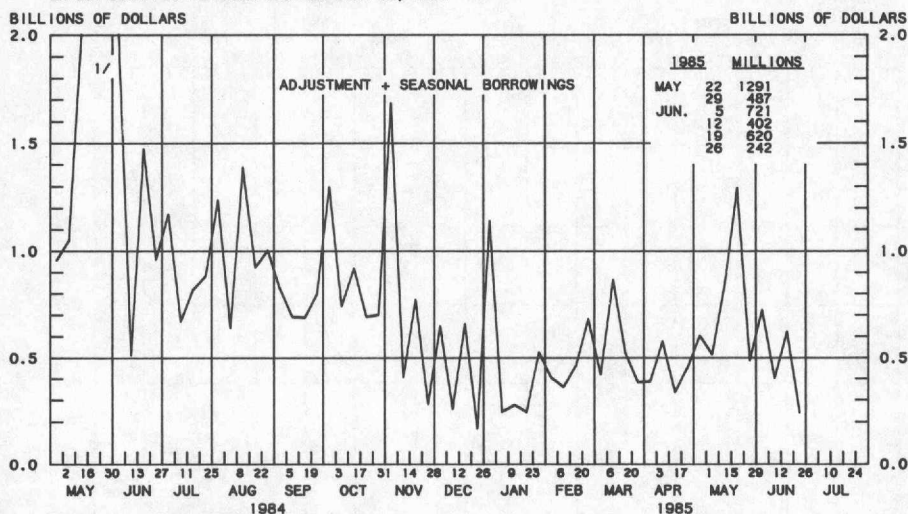
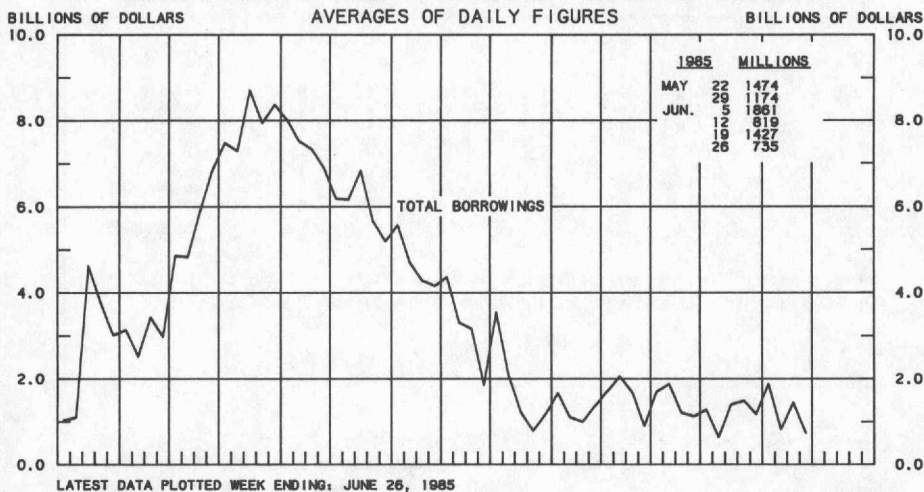
TOTAL TIME DEPOSITS

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

	6/18/84	9/17/84	11/19/84	12/17/84	1/14/85	2/18/85	3/18/85	4/15/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/19/84	8.3							
12/17/84	7.1	5.1						
1/14/85	6.1	3.8	0.3					
2/18/85	4.0	1.1	-2.9	-4.4				
3/18/85	4.2	1.8	-0.9	-1.3	-1.9			
4/15/85	4.9	3.1	1.4	1.6	2.1	8.7		
5/20/85	5.3	3.8	2.7	3.1	3.9	8.7	9.9	
6/17/85	4.6	3.1	1.9	2.1	2.6	5.8	5.7	3.2

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BORROWINGS FROM FEDERAL RESERVE BANKS



1/ \$4.562 FOR 5/16/84; \$3.730 FOR 5/23/84; \$2.989 FOR 5/30/84; \$3.120 FOR 6/6/84

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MMDAS, MMMFS AND SUPER NOWS

(BILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED)

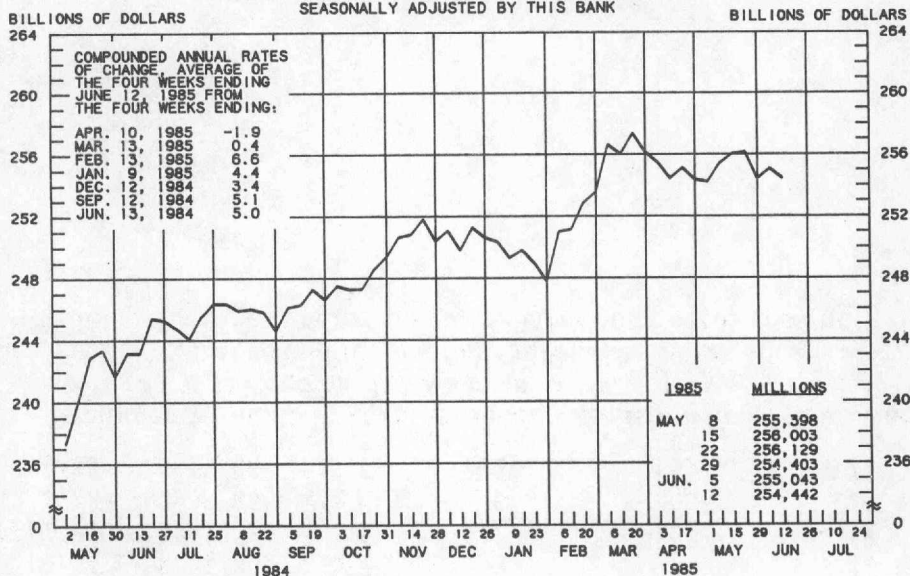
		MMDAs 1/	MMMFS 2/	Super NOWs 3/
April	22	\$295.2	\$235.7	\$56.1
	29	293.9	236.4	53.9
	6	294.6	232.8	54.7
May	13	296.7	234.8	54.6
	20	298.6	234.8	54.6
	27	300.3	238.2	54.3
June	3	303.0	238.3	55.7
	10	306.0	239.3	57.2
	17	307.7	242.2	56.9

1/ Money market deposit accounts at commercial banks, effective 12/14/82

2/ Total money market mutual fund balances

3/ NOW accounts at all depository institutions, requiring a \$1,000 minimum balance and eligible to earn more than 5.25 percent, effective 1/5/85

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



LATEST DATA PLOTTED WEEK ENDING: JUNE 12, 1985

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

M1 Growth and Basis Point Changes in
Selected Short-Term Interest Rates

<u>Period</u>	<u>M1</u> ^{1/}	<u>Federal</u> <u>funds</u> ^{2/}	<u>30-day</u> <u>commercial</u> <u>paper</u> ^{3/}	<u>3-month</u> <u>Treasury</u> <u>bill</u> ^{3/}
12/19/83 - 3/19/84	6.8%	42	28	76
3/19/84 - 6/18/84	7.1	145	92	15
6/18/84 - 9/17/84	3.7	-3	9	38
9/17/84 - 12/17/84	3.2	-347	-295	-248
12/17/84 - 3/18/85	12.4	76	60	70
3/18/85 - 6/17/85	11.7	-162	-159	-170

1/ Compounded annual rates, seasonally adjusted, from four-week averages of M1 ending dates shown

2/ Weekly averages ending two days later than dates shown

3/ Weekly averages ending four days later than dates shown