

RESEARCH LIBRARY

Federal Reserve Bank

of St. Louis

# U.S. Financial Data

JUL 29 1985

July 25, 1985

The spreads between interest rates on municipal bonds and other long-term securities have narrowed substantially since May. Spreads between rates on municipal bonds and those on long-term Treasury securities and corporate Aaa bonds, which averaged 208 and 271 basis points, respectively, in May, declined to 179 and 225 basis points in June. These spreads have narrowed even more in recent weeks, averaging 170 and 208 basis points, respectively, through mid-July.

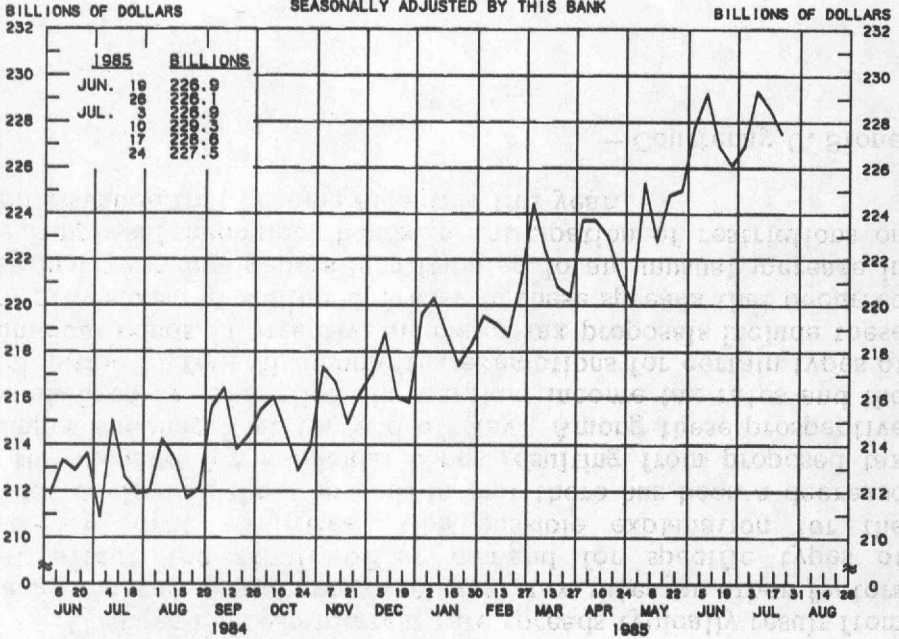
Changes in these interest rate spreads typically result from changes in risk assessments, relevant tax rates or other factors that affect the supply of or demand for specific types of long-term debt securities. One possible explanation for the recent decline in these spreads is that there has been a decrease in the demand for municipal bonds resulting from proposed tax changes announced at the end of May. Among these prospective tax changes are reductions in marginal income tax rates and the elimination of federal income tax exemptions for certain types of municipal bonds. Currently, all major tax proposals include these two provisions. A similar decrease in these spreads that occurred late last year was generally attributed to an unusual increase in the supply of municipal bonds in anticipation of restrictions on their issuance that became effective this year.

— Courtenay C. Stone



## ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: JULY 24, 1985

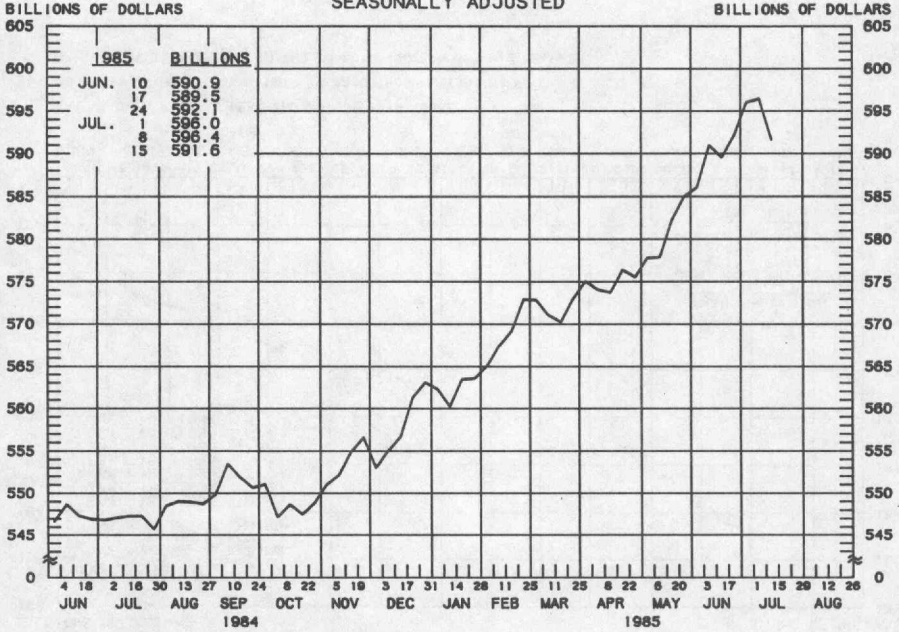
THE ADJUSTED MONETARY BASE IS THE SUM OF RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS (CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS) AND AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED 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:								
	7/25/84	10/24/84	12/28/84	1/23/85	2/27/85	3/27/85	4/24/85	5/22/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
12/26/84	4.8							
1/23/85	6.1	8.3						
2/27/85	5.6	6.7	7.4					
3/27/85	6.6	8.2	9.7	8.2				
4/24/85	6.5	7.8	8.7	7.3	10.2			
5/22/85	6.1	7.0	7.5	6.1	7.5	3.9		
6/26/85	7.6	9.0	10.0	9.4	11.4	10.3	12.5	
7/24/85	7.3	8.4	9.1	8.5	9.9	8.6	9.7	13.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

**MONEY STOCK (M1)  
AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED**



LATEST DATA PLOTTED WEEK ENDING: JULY 15, 1985

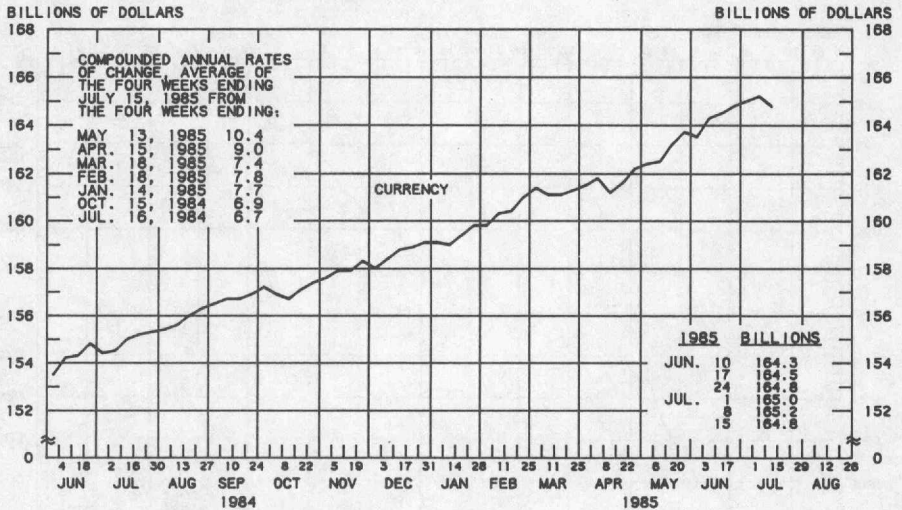
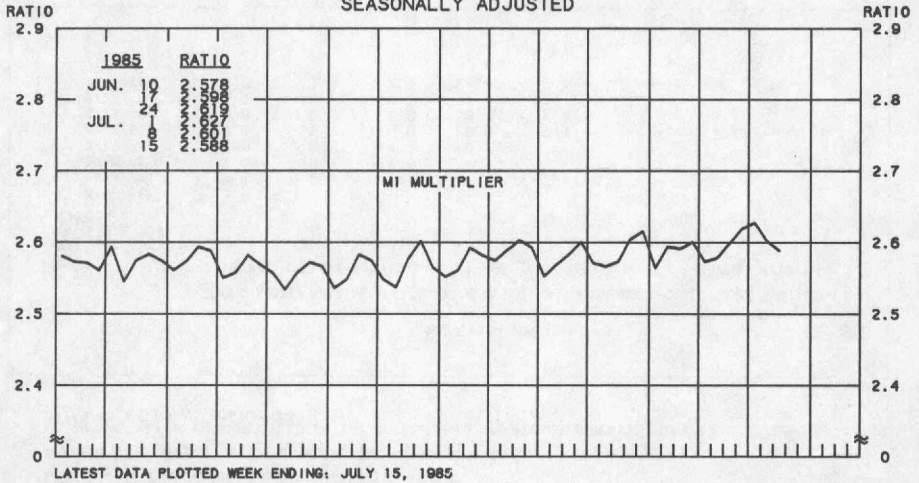
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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:									
	7/16/84	10/15/84	12/17/84	1/14/85	2/18/85	3/18/85	4/15/85	5/13/85	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
12/17/84	3.6								
1/14/85	5.4	9.3							
2/18/85	6.0	9.1	12.0						
3/18/85	6.8	9.9	12.3	10.7					
4/15/85	6.6	9.1	10.6	9.0	9.1				
5/13/85	6.6	8.8	9.9	8.5	8.3	5.9			
6/17/85	8.1	10.6	12.1	11.4	12.1	11.8	14.9		
7/15/85	8.6	11.0	12.4	11.8	12.6	12.4	14.8	18.5	

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**MONEY MULTIPLIER <sup>1/</sup>**  
**CURRENCY COMPONENT OF MONEY STOCK <sup>2/</sup>**  
 AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 15, 1985

<sup>1/</sup> RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

<sup>2/</sup> 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: JULY 15, 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:

7/16/84 10/15/84 12/17/84 1/14/85 2/18/85 3/18/85 4/15/85 5/13/85

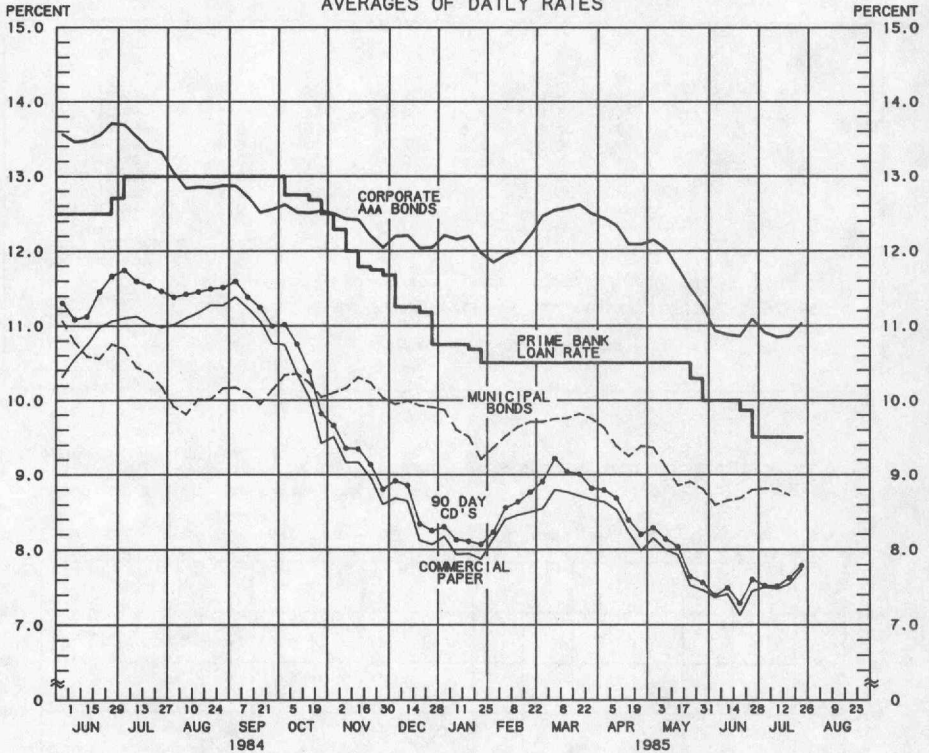
TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

12/17/84	2.8							
1/14/85	5.4	10.8						
2/18/85	6.0	10.4	14.4					
3/18/85	7.0	11.3	14.6	11.9				
4/15/85	6.9	10.4	12.4	9.9	10.3			
5/13/85	6.9	10.0	11.4	9.3	9.3	6.4		
6/17/85	8.7	12.1	14.0	12.8	13.9	13.5	17.1	
7/15/85	9.3	12.5	14.4	13.4	14.4	14.2	17.0	21.6

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## YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 26, 1985.

1985	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS* ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS <sup>***</sup>
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	7.60	7.45	7.45	11.09	12.56	8.80
JULY 5	7.52	7.50	7.37	10.91	12.46	8.82
12	7.51	7.48	7.42	10.85	12.38	8.81
19	7.62	7.54	7.55	10.87	12.35	8.73
26 <sup>*</sup>	7.79	7.74	7.76	11.03	12.41	N.A.
AUG. 2						
9						
16						
23						
30						

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

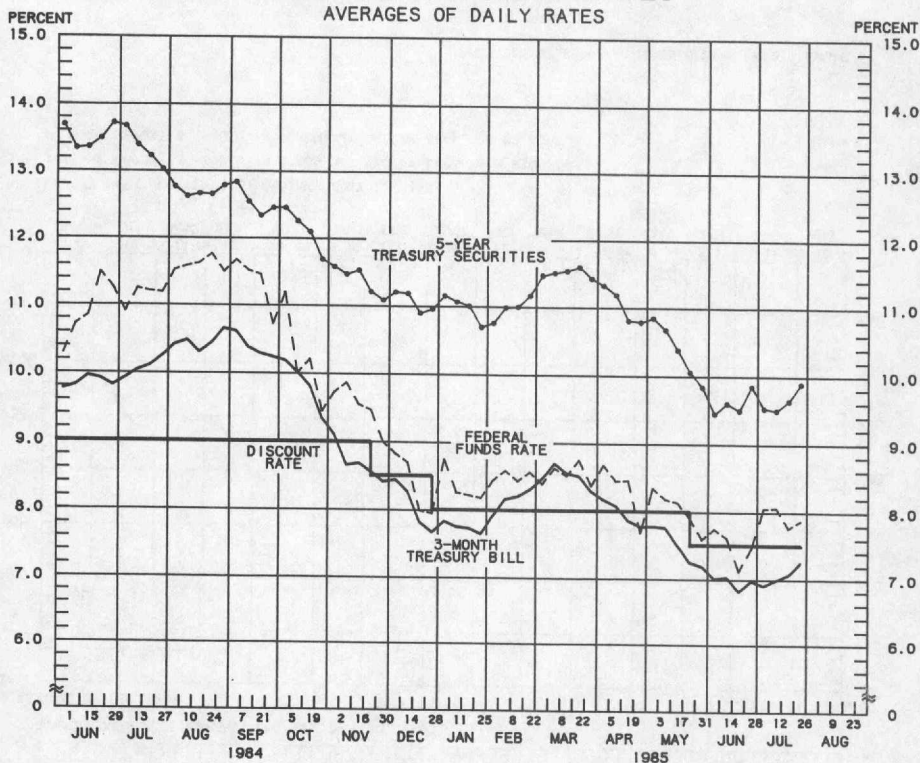
\* AVERAGES OF RATES AVAILABLE

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

N.A. - NOT AVAILABLE

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## SELECTED INTEREST RATES AVERAGES OF DAILY RATES



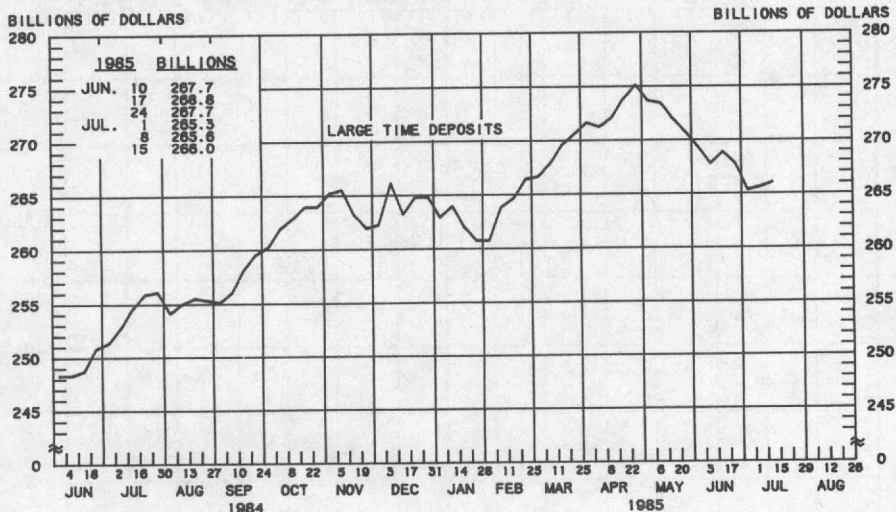
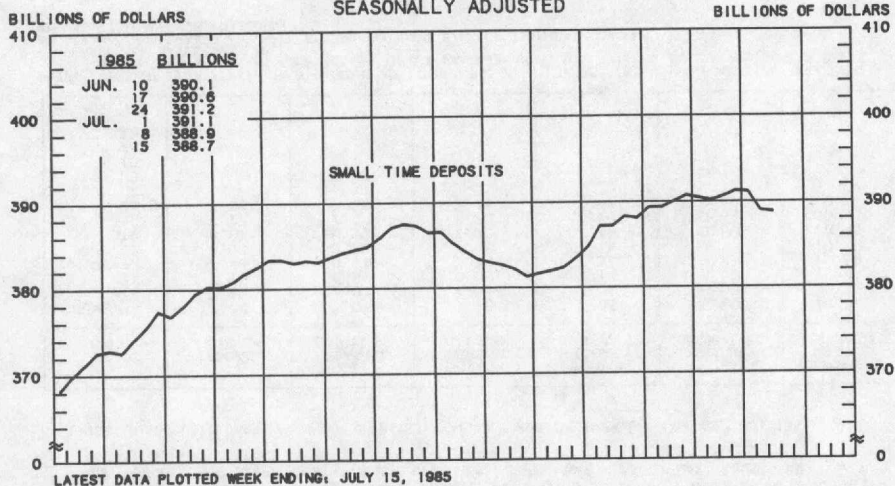
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 26, 1985.

1985	FEDERAL FUNDS <small>***</small>	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL <small>***</small>	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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
26	7.46	6.97	7.24	7.37	9.85	10.69
JULY 5	8.06	6.90	7.08	7.13	9.53	10.47
12	8.07	6.99	7.00	7.19	9.50	10.46
19	7.77	7.07	7.20	7.29	9.64	10.55
26 *	7.88	7.25	7.35	7.47	9.89	10.77
AUG. 2						
9						
16						
23						
30						

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)

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



LATEST DATA PLOTTED WEEK ENDING: JULY 15, 1985

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

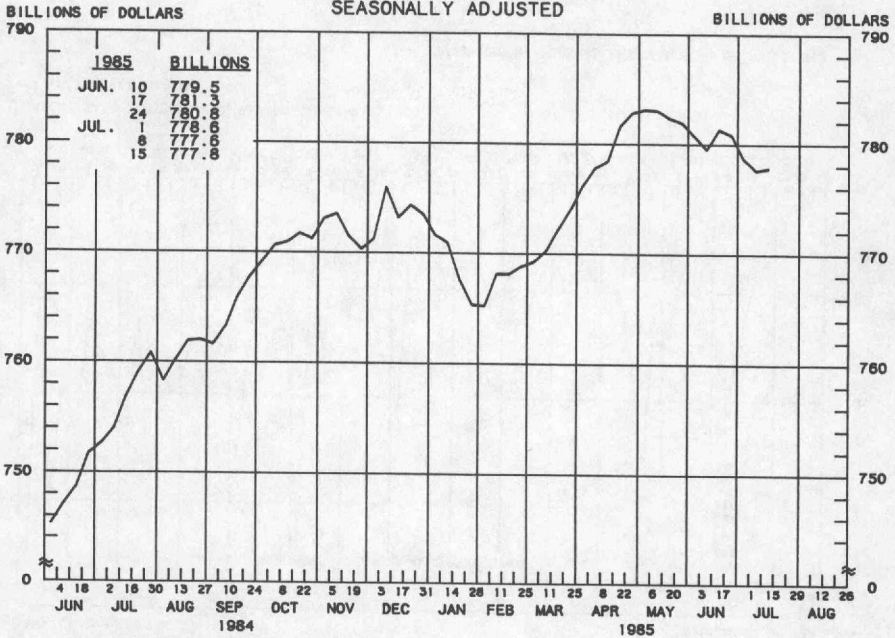
2/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF \$100,000 OR MORE

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# COMMERCIAL BANK TOTAL TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 15, 1985

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

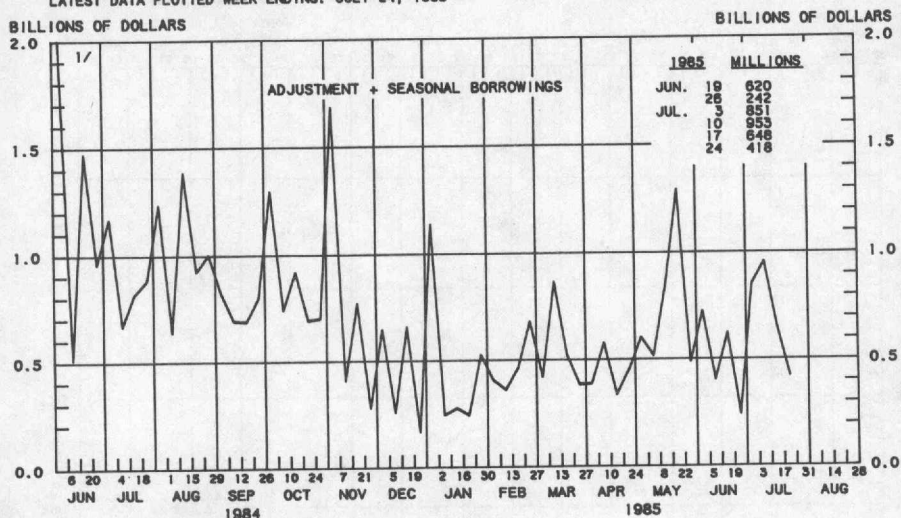
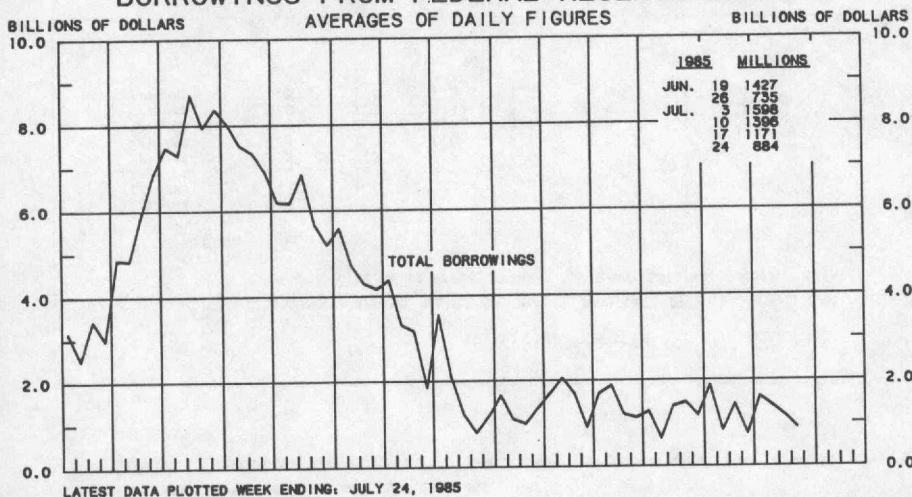
## TOTAL TIME DEPOSITS

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

	7/18/84	10/15/84	12/17/84	1/14/85	2/18/85	3/18/85	4/15/85	5/13/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
12/17/84	6.0							
1/14/85	5.1	1.6						
2/18/85	2.9	-1.1	-4.4					
3/18/85	3.2	0.2	-1.3	-1.9				
4/15/85	4.1	1.8	1.6	2.1	8.7			
5/13/85	4.6	2.9	3.2	4.0	9.3	11.0		
6/17/85	3.9	2.2	2.1	2.6	5.8	5.7	3.2	
7/15/85	3.3	1.6	1.3	1.6	3.9	3.5	1.1	-2.8

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## BORROWINGS FROM FEDERAL RESERVE BANKS



1/ 83.120 FOR 6/6/84

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## MMDAS, MMMFS AND SUPER NOWS

(BILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED)

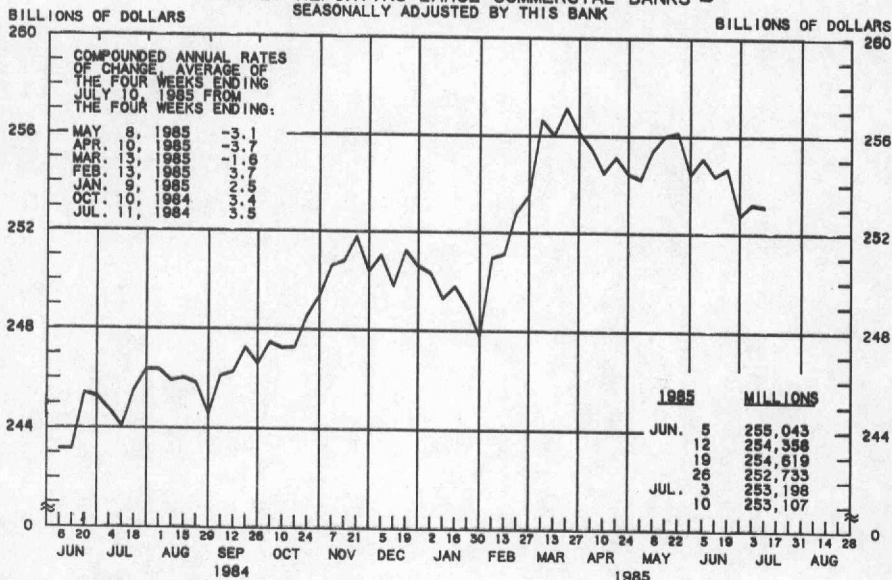
		<u>MMDAs 1/</u>	<u>MMMFs 2/</u>	<u>Super NOWs 3/</u>
May	20	\$298.6	\$234.8	\$54.6
	27	300.3	238.2	54.3
	3	303.0	238.6	55.7
June	10	306.1	239.6	57.2
	17	307.7	242.5	57.0
	24	307.9	246.4	56.1
	1	309.2	243.4	56.6
July	8	311.1	239.4	58.3
	15	312.6	241.7	57.9

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 <sup>1/</sup> (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS <sup>2/</sup> SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: JULY 10, 1985

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

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

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