

# U.S. Financial Data

AUG 20 1985

August 15, 1985

Interest rates typically tend to be higher the longer the term to maturity. One explanation for this pattern is that longer-term securities pay a "risk premium" because their prices fluctuate more with general market fluctuations in interest rates. Another is that the long-term and short-term markets are segmented, so that the yield curve—the relationship between interest rates and the term to maturity, all other things held constant—shifts with changes in the supply of short-term relative to long-term securities.

Interest rates declined markedly between July 1984 and June 1985. Moreover, short-term rates have declined faster than long-term rates, so that the yield curve in June 1985 is somewhat steeper than it was in July 1984. This suggests that there was either a significant rise in the risk premium over this period or a significant increase in the supply (relative to demand) of long-term securities relative to short-term securities.

## Yields on and Basis Point Changes in Selected Maturities of U.S. Treasury Securities

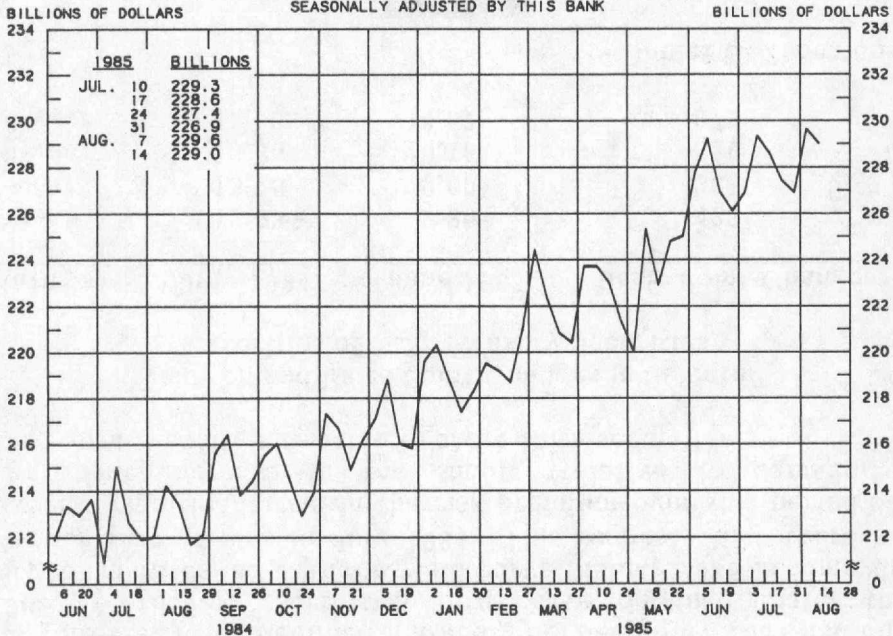
<u>Maturity</u>	<u>July 1984</u>	<u>June 1985</u>	<u>Basis Point Change</u>
1-year	12.03%	7.80%	-423
5-year	13.28	9.60	-368
10-year	13.36	10.16	-320
20-year	13.36	10.57	-279

--Daniel L. Thornton



## ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: AUGUST 14, 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.

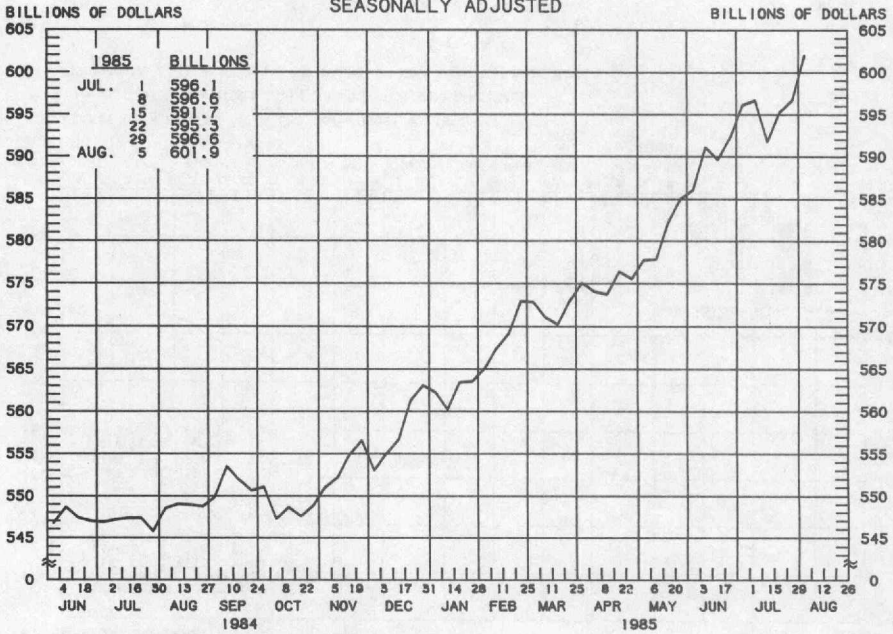
### ADJUSTED MONETARY BASE

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

	8/15/84	11/14/84	1/16/85	2/13/85	3/13/85	4/17/85	5/15/85	6/12/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/16/85	6.4							
2/13/85	5.4	6.5						
3/13/85	7.2	9.4	9.3					
4/17/85	6.9	8.4	7.7	11.3				
5/15/85	6.0	6.8	5.4	7.1	2.1			
6/12/85	7.9	9.4	9.4	11.8	9.5	12.3		
7/17/85	7.6	8.8	8.5	10.1	8.2	9.3	14.6	
8/14/85	7.2	8.1	7.7	9.0	7.2	7.7	10.8	3.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 5, 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.

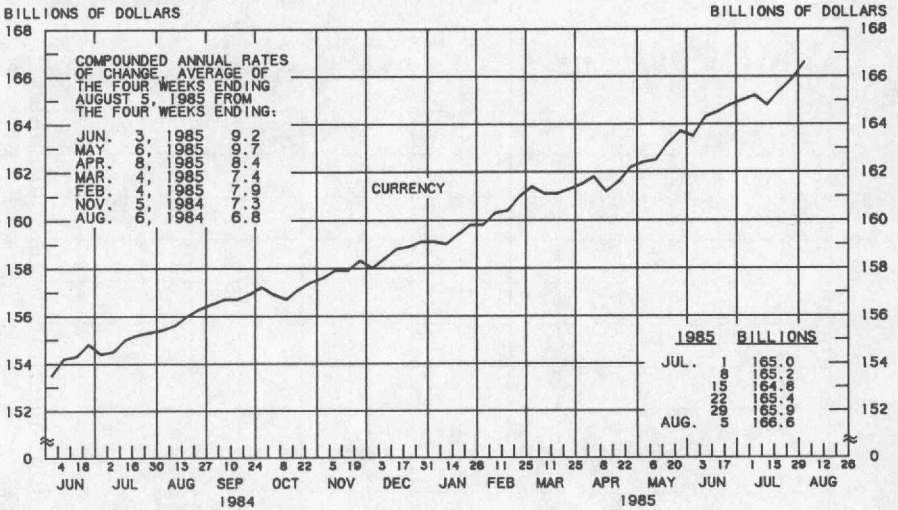
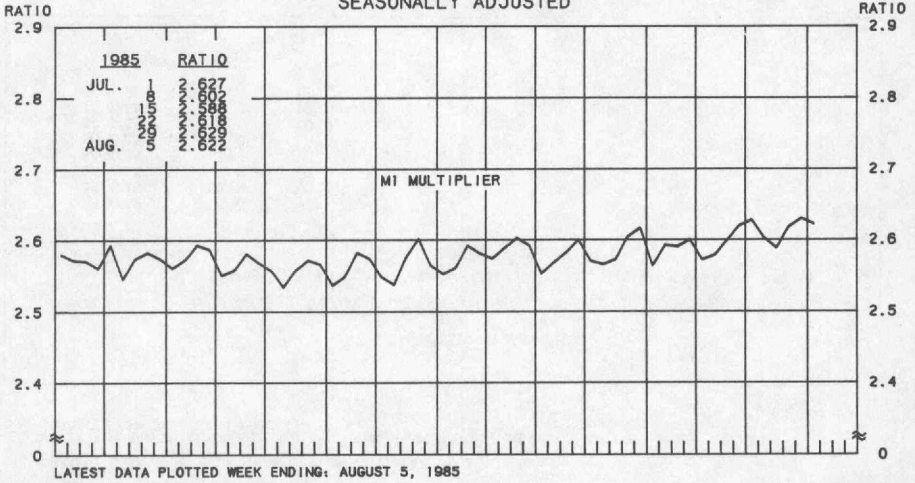
**MONEY STOCK (M1)**

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

	8/6/84	11/5/84	1/7/85	2/4/85	3/4/85	4/8/85	5/6/85	6/3/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 7/85	6.0							
2/ 4/85	5.9	10.6						
3/ 4/85	7.5	12.5	11.9					
4/ 8/85	7.1	10.7	9.1	10.8				
5/ 6/85	7.0	10.0	8.4	9.4	5.4			
6/ 3/85	7.9	10.9	10.0	11.2	8.8	11.5		
7/ 8/85	9.2	12.3	12.0	13.3	12.1	15.1	19.2	
8/ 5/85	9.0	11.7	11.3	12.2	11.0	13.0	15.1	14.3

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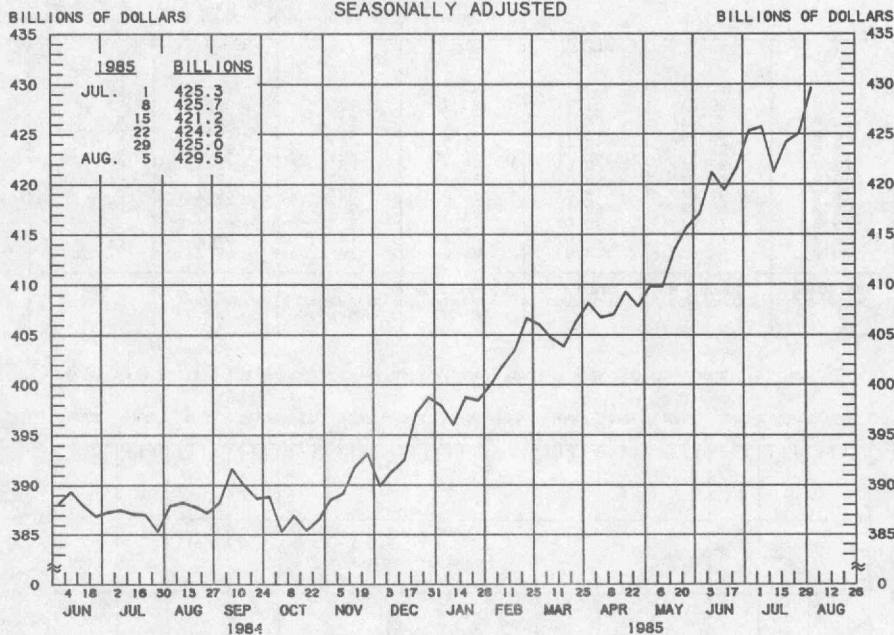
MONEY MULTIPLIER <sup>1/</sup>  
 CURRENCY COMPONENT OF MONEY STOCK <sup>2/</sup>  
 AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED



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

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 5, 1985

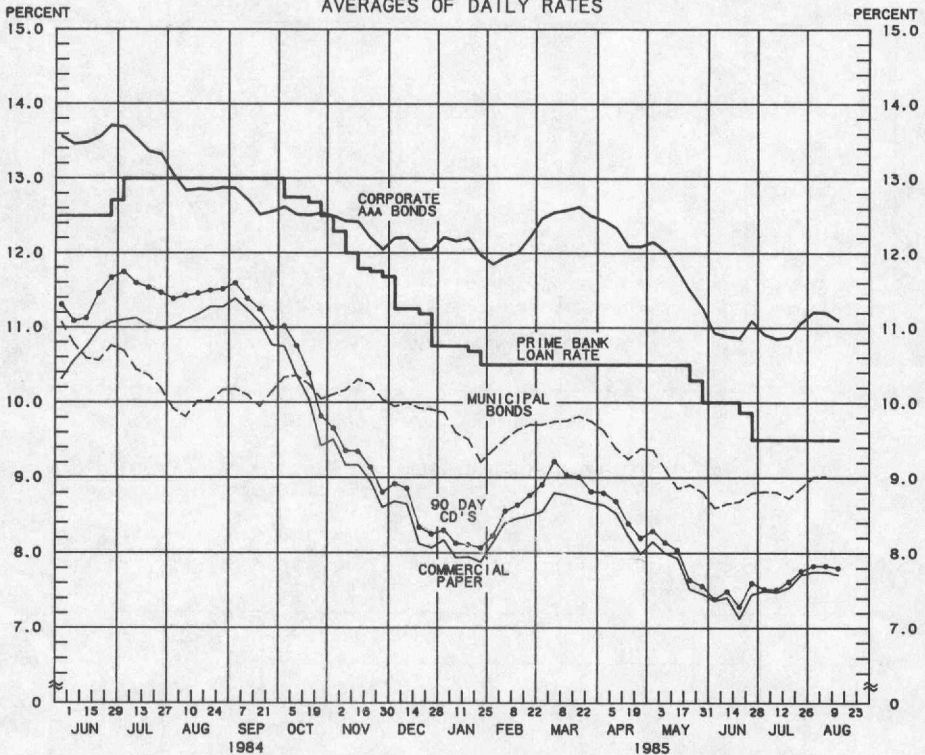
TOTAL CHECKABLE DEPOSITS IS THE SUM OF DEMAND DEPOSITS AND OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS.

TOTAL CHECKABLE DEPOSITS								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
	8/6/84	11/5/84	1/7/85	2/4/85	3/4/85	4/8/85	5/6/85	6/3/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 7/85	6.1							
2/ 4/85	6.0	12.4						
3/ 4/85	8.1	14.7	13.7					
4/ 8/85	7.5	12.3	10.0	12.0				
5/ 6/85	7.5	11.5	9.5	10.6	5.9			
6/ 3/85	8.6	12.5	11.2	12.6	9.7	13.2		
7/ 8/85	10.2	14.2	13.8	15.3	13.8	17.6	22.3	
8/ 5/85	9.9	13.4	12.7	13.9	12.4	14.8	17.2	16.4

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## YIELDS ON SELECTED SECURITIES

### AVERAGES OF DAILY RATES



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 16, 1985.

1985	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS* ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS **
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	7.76	7.71	7.73	11.07	12.45	8.87
AUG. 2	7.83	7.75	7.74	11.21	12.58	9.01
9	7.83	7.75	7.73	11.20	12.59	9.02
16 *	7.80	7.71	7.69	11.10	12.56	N.A.
23						
30						

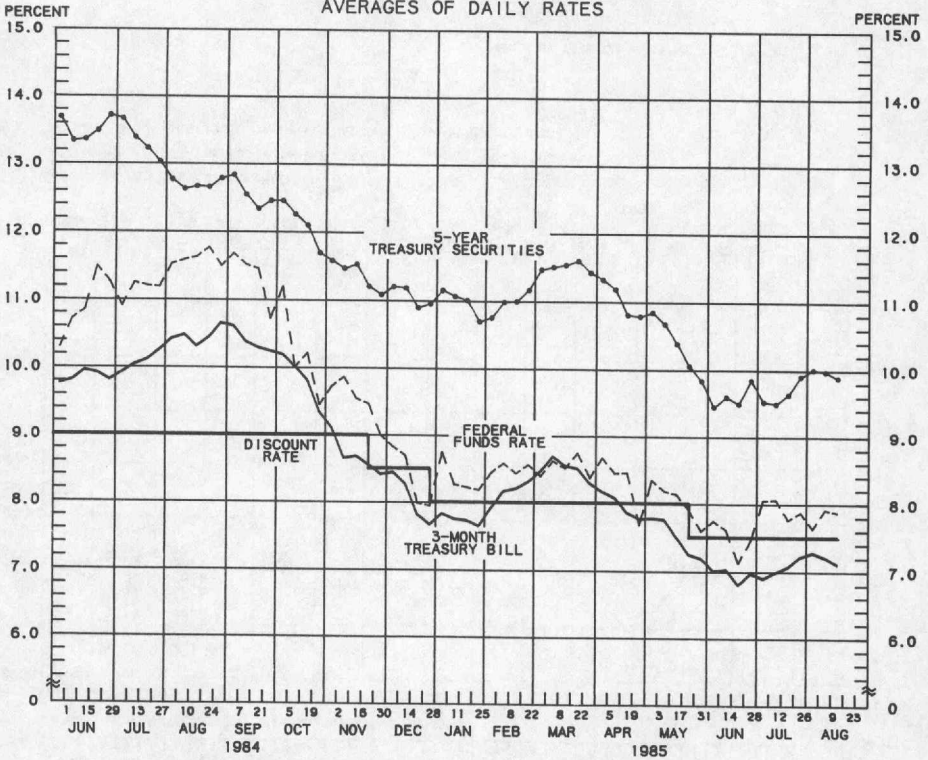
NOTE: CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H. 15 RELEASE.  
\* AVERAGES OF RATES AVAILABLE

\*\* 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



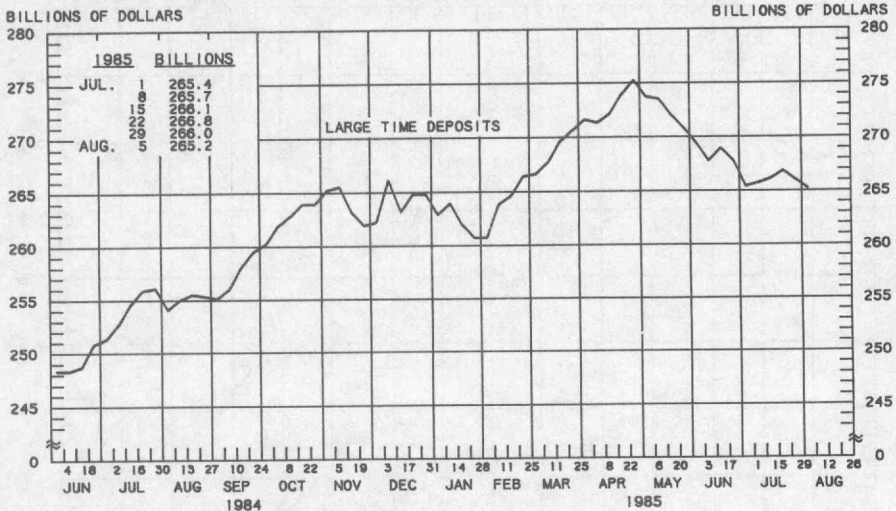
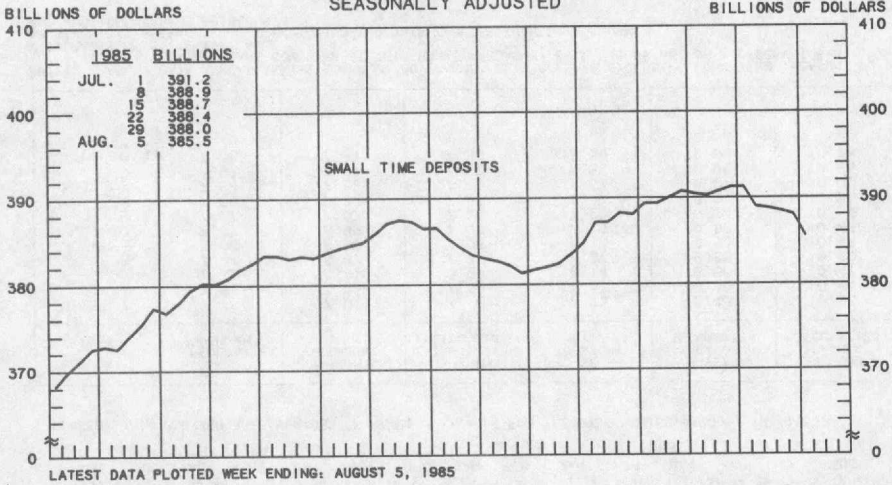
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 16, 1985.

1985		FEDERAL FUNDS %*	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %**	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
JULY	28	7.46	6.97	7.24	7.37	9.55	10.69
	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
AUG.	19	7.77	7.07	7.20	7.29	9.64	10.55
	26	7.88	7.22	7.35	7.47	9.91	10.80
	2	7.64	7.28	7.40	7.57	10.01	10.90
AUG.	9	7.92	7.21	7.52	7.58	9.98	10.85
	16 *	7.88	7.11	7.36	7.50	9.89	10.78
	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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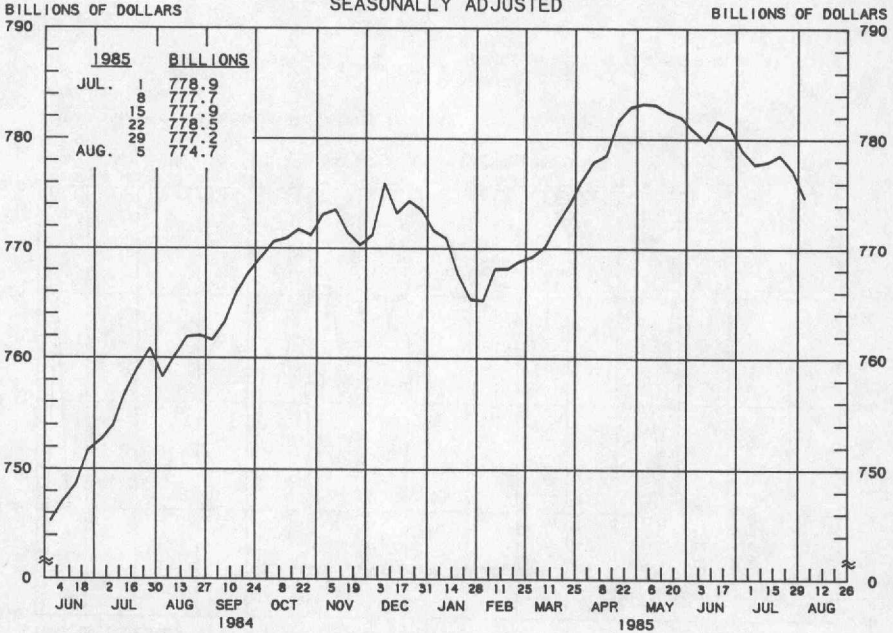
COMMERCIAL BANK  
 SMALL TIME DEPOSITS 1/  
 LARGE TIME DEPOSITS 2/  
 AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED



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**COMMERCIAL BANK  
TOTAL TIME DEPOSITS**  
AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



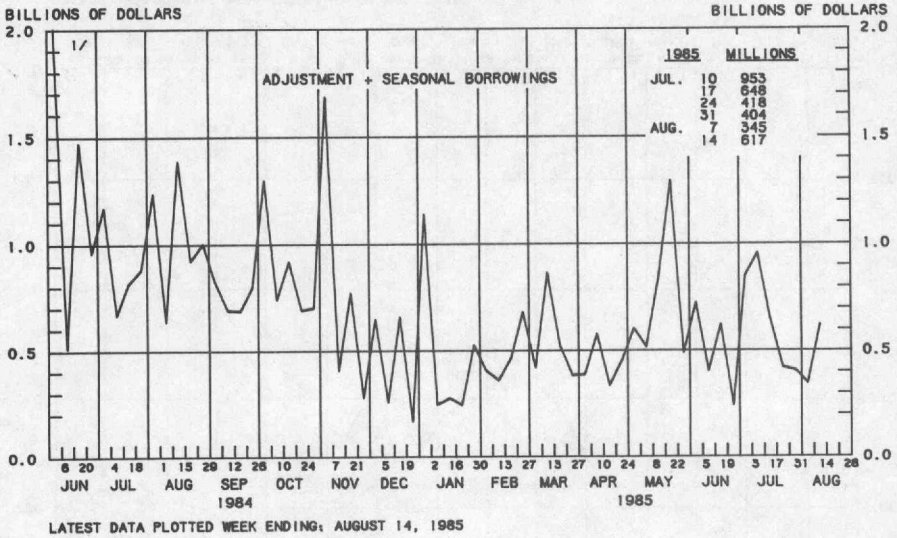
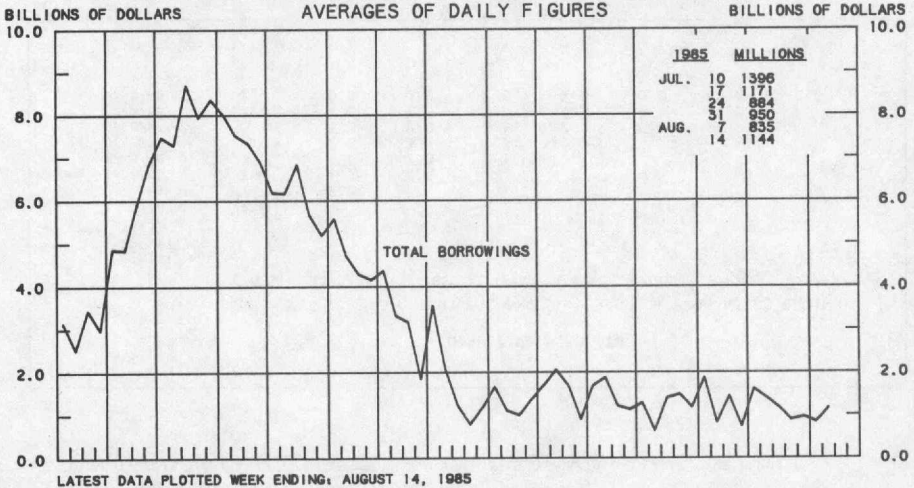
LATEST DATA PLOTTED WEEK ENDING: AUGUST 5, 1985

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:								
TO THE AVERAGE OF FOUR WEEKS ENDING:	8/6/84	11/5/84	1/7/85	2/4/85	3/4/85	4/8/85	5/6/85	6/3/85
1/ 7/85	4.5							
2/ 4/85	2.2	-2.3						
3/ 4/85	2.2	-1.2	-3.8					
4/ 8/85	3.2	1.0	1.0	6.1				
5/ 6/85	4.0	2.6	3.4	7.7	10.2			
6/ 3/85	3.7	2.3	2.9	6.1	7.2	6.0		
7/ 8/85	3.0	1.6	1.7	3.9	4.3	2.4	-1.3	
8/ 5/85	2.4	0.9	0.9	2.6	2.6	0.8	-2.3	-3.6

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## BORROWINGS FROM FEDERAL RESERVE BANKS



1/ \$3.120 FOR 6/6/84

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# MMDAS, MMMFS AND SUPER NOWS

(BILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED)

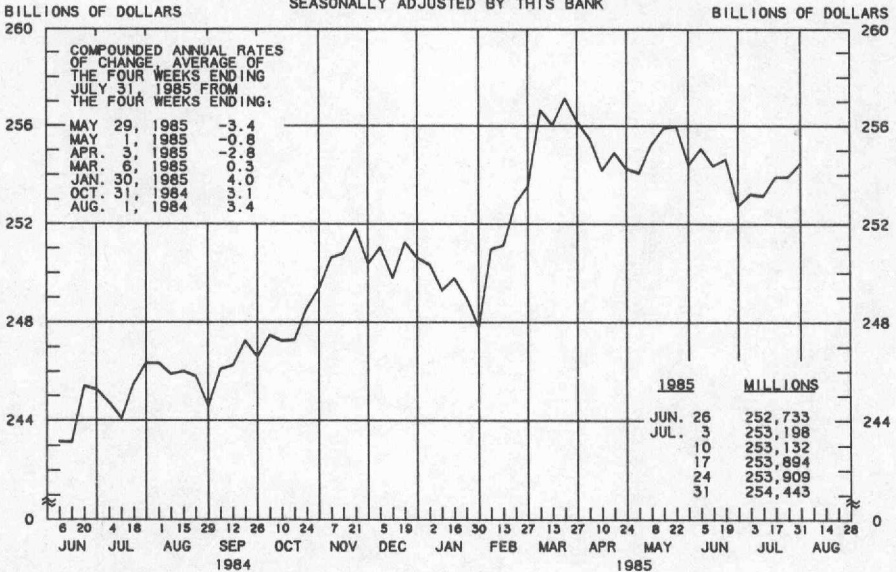
		MMDAs 1/	MMMFs 2/	Super NOWs 3/
June	10	\$306.1	\$239.6	\$57.3
	17	307.8	242.5	57.0
	24	308.0	246.4	56.1
July	1	309.3	243.4	56.6
	8	311.2	239.4	58.4
	15	312.7	241.7	57.9
	22	313.3	241.7	57.4
	29	314.3	239.0	57.0
August	5	315.7	238.3	58.8

1/ Money market deposit accounts at commercial banks

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 2/ SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: JULY 31, 1985

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

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

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