

MAR 10 1986

March 6, 1986

The growth rate of the money stock (M1) has been rapid over the past 12 months; as the table below shows, the currency and demand deposit components of M1 expanded at moderately fast rates during the last year, while other checkable deposits grew even faster. Since September, however, the growth rate of M1 has decelerated substantially. This recent slowing primarily reflects the slower growth of total checkable deposits, especially demand deposits. Demand deposit growth dropped by nearly two-thirds during the last five months from its pace during the preceding seven months, while other checkable deposit growth declined by about one-third during this same period. In contrast, the growth rate of currency remained virtually unchanged throughout the past year.

Growth Rates of M1 and Its Major Components
(seasonally adjusted compounded annual rates)

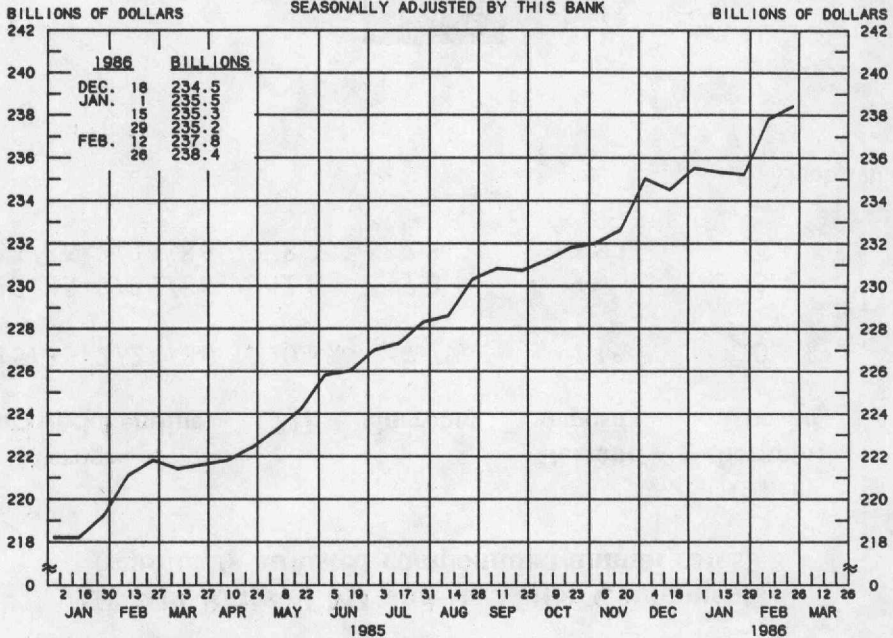
Averages of four weeks ending	M1	Currency	Demand deposits	Other checkable deposits
2/25/85-2/24/86	10.8%	7.7%	7.1%	20.3%
2/25/85-9/23/85	12.8	7.8	9.6	23.4
9/23/85-2/24/86	8.2	7.5	3.8	16.1

—Mack Ott



Views expressed do not necessarily reflect official positions of the Federal Reserve System.

ADJUSTED MONETARY BASE
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST PLOTTED RESERVE MAINTENANCE PERIOD ENDING: FEBRUARY 26, 1986

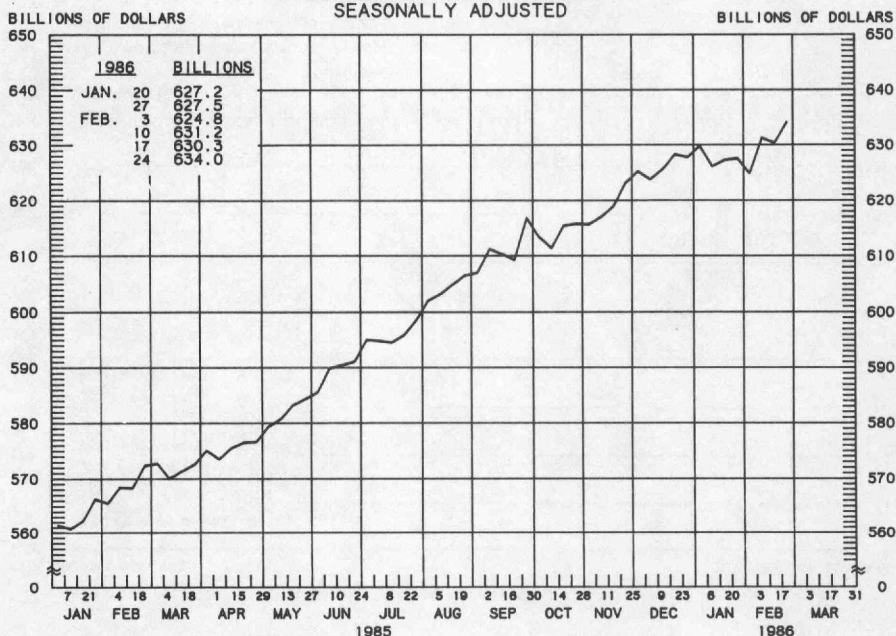
THE ADJUSTED MONETARY BASE IS THE SUM OF RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS) AND AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED 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 TWO MAINTENANCE PERIODS ENDING:								
	2/27/85	5/22/85	7/31/85	8/28/85	9/25/85	10/23/85	11/20/85	1/1/86
TO THE AVERAGE OF TWO MAINTENANCE PERIODS ENDING:								
7/31/85	6.9							
8/28/85	7.4	10.0						
9/25/85	7.4	9.4	8.9					
10/23/85	7.0	8.4	7.2	5.8				
11/20/85	6.7	7.8	6.6	5.4	4.3			
1/1/86	7.2	8.3	7.6	7.1	6.9	8.1		
1/29/86	6.8	7.6	6.7	6.1	5.7	6.2	6.9	
2/26/86	7.5	8.4	8.0	7.6	7.6	8.5	9.6	8.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 24, 1986

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.

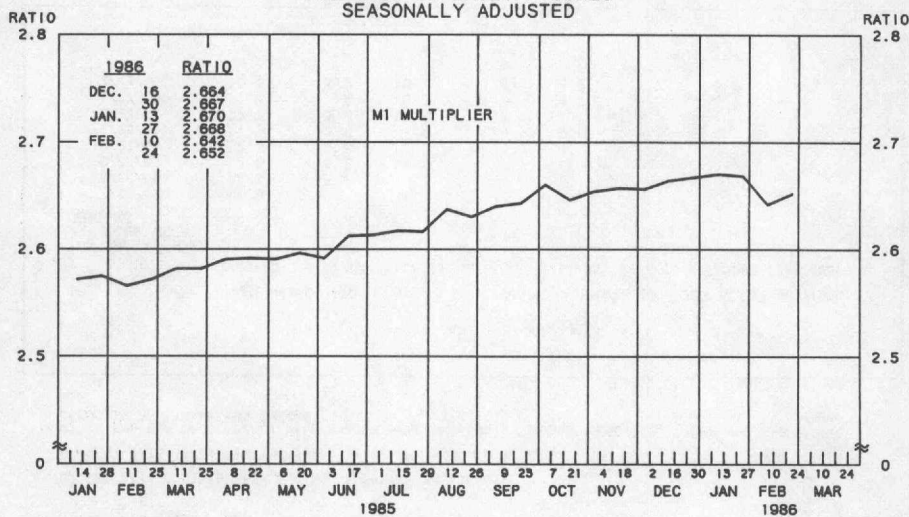
MONEY STOCK (M1)

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

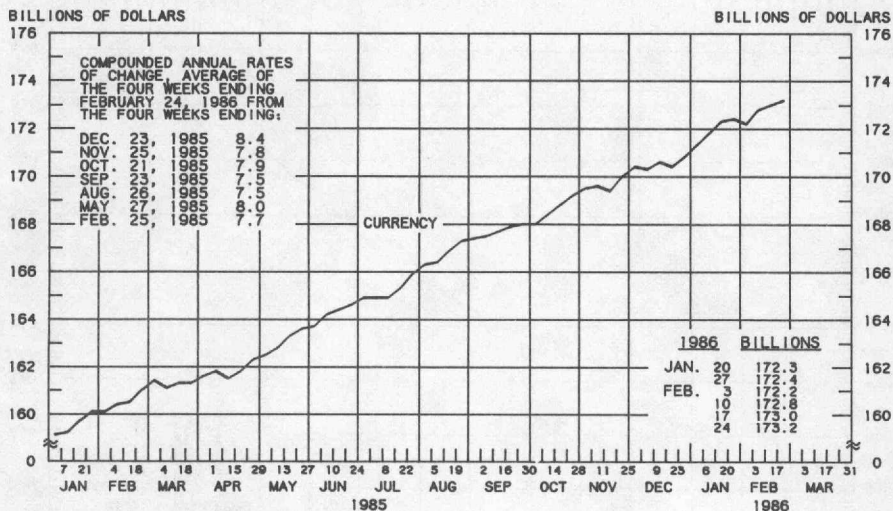
	2/25/85	5/27/85	7/22/85	8/26/85	9/23/85	10/21/85	11/25/85	12/23/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/22/85	11.9							
8/26/85	12.9	16.2						
9/23/85	12.8	15.2	14.8					
10/21/85	12.5	14.3	13.5	11.3				
11/25/85	11.9	13.0	11.9	9.9	9.0			
12/23/85	12.2	13.4	12.6	11.2	11.1	11.2		
1/27/86	11.3	11.9	10.8	9.4	8.9	8.3	8.7	
2/24/86	10.8	11.2	10.1	8.8	8.2	7.7	7.6	4.2

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



LATEST DATA PLOTTED TWO WEEKS ENDING: FEBRUARY 24, 1986



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 24, 1986

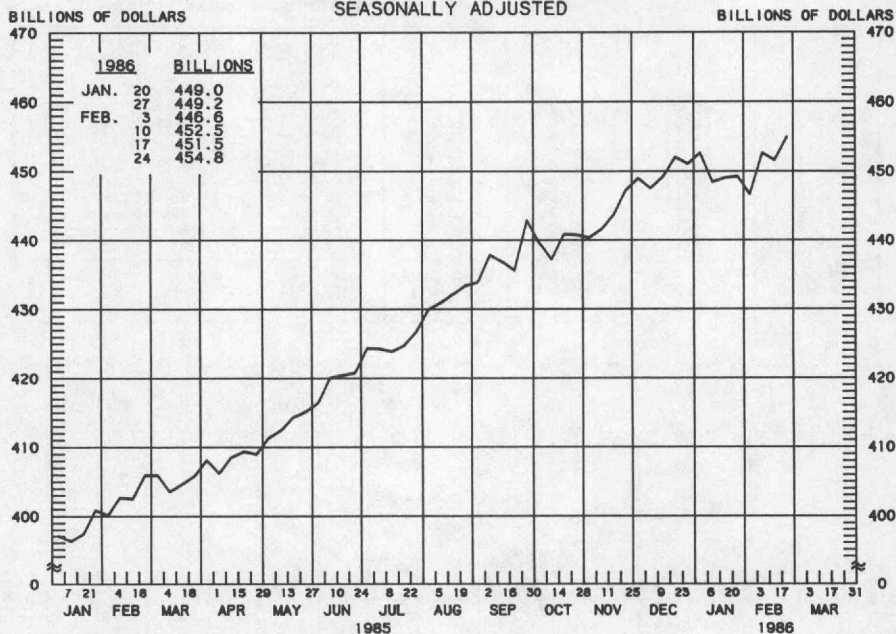
1/ RATIO OF MONEY STOCK (MI) TO ADJUSTED MONETARY BASE

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: FEBRUARY 24, 1986

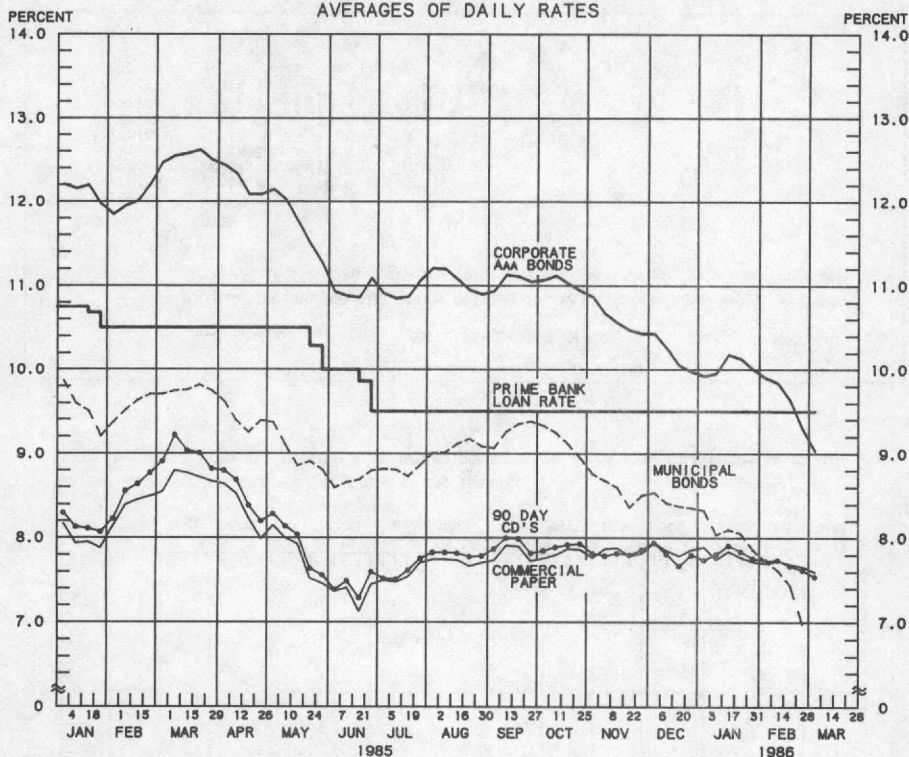
TOTAL CHECKABLE DEPOSITS IS THE SUM OF DEMAND DEPOSITS AND OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS.

TOTAL CHECKABLE DEPOSITS									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	2/25/85	5/27/85	7/22/85	8/26/85	9/23/85	10/21/85	11/25/85	12/23/85	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
7/22/85	13.7								
8/26/85	14.8	18.9							
9/23/85	14.7	17.7	16.9						
10/21/85	14.5	16.8	15.7	13.5					
11/25/85	13.6	15.0	13.4	11.2	10.1				
12/23/85	14.2	15.6	14.6	13.2	13.0	12.8			
1/27/86	12.7	13.4	11.9	10.3	9.5	8.4	8.9		
2/24/86	12.1	12.5	10.9	9.4	8.6	7.6	7.6	2.6	

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES



1986	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ^{***}
JAN. 3	7.74	7.89	7.65	9.92	11.36	8.33
10	7.81	7.75	7.66	9.95	11.37	8.04
17	7.91	7.84	7.72	10.18	11.48	8.10
24	7.84	7.77	7.62	10.13	11.49	8.05
31	7.76	7.72	7.61	10.00	11.43	7.86
FEB. 7	7.73	7.70	7.59	9.90	11.29	7.73
14	7.74	7.73	7.62	9.84	11.25	7.62
21	7.67	7.69	7.52	9.64	11.10	7.44
28	7.62	7.66	7.52	9.29	10.82	6.98
MAR. 7 [*]	7.54	7.60	7.37	9.04	10.55	N.A.
14						
21						
28						

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

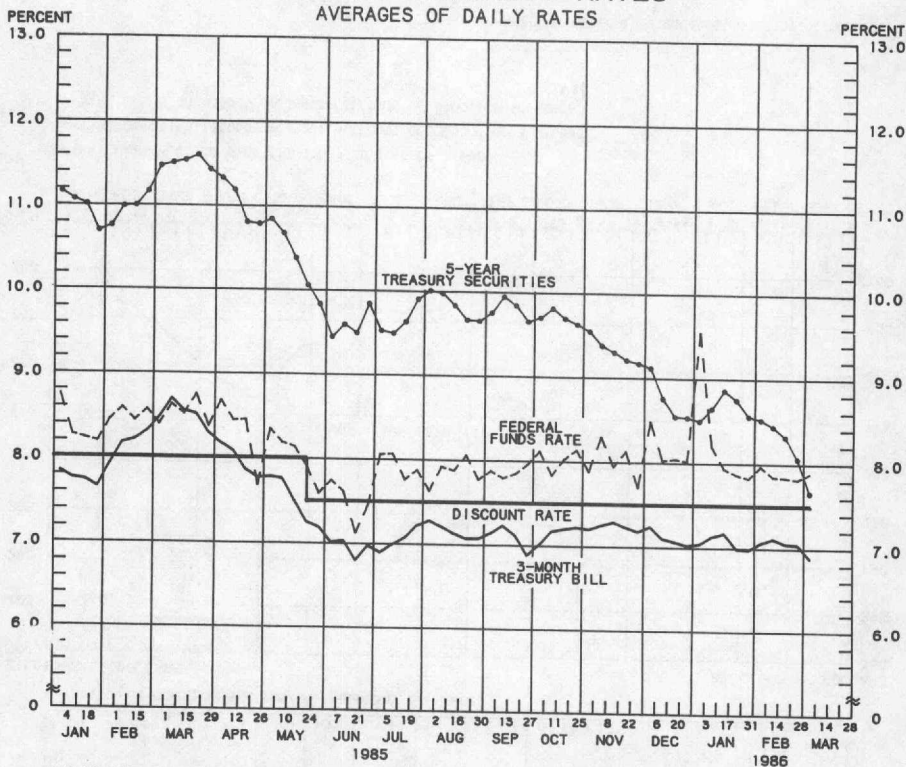
^{*} AVERAGES OF RATES AVAILABLE

^{**} 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



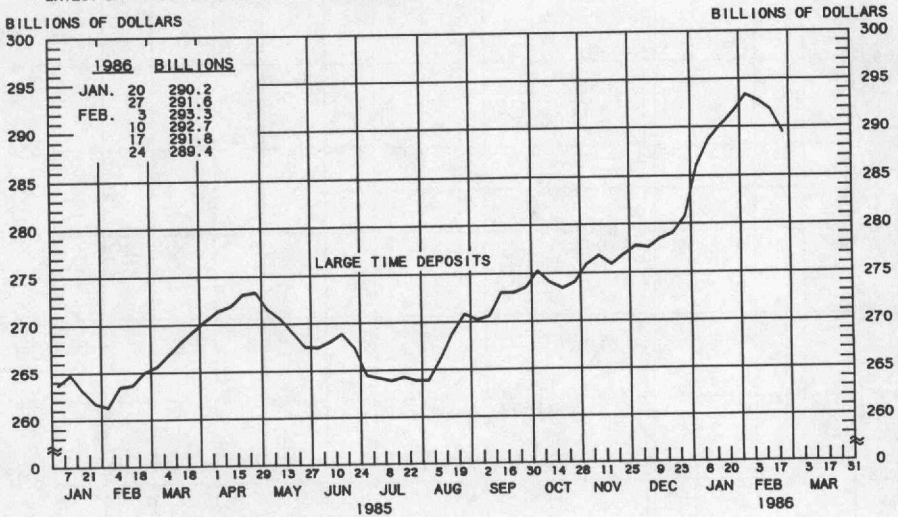
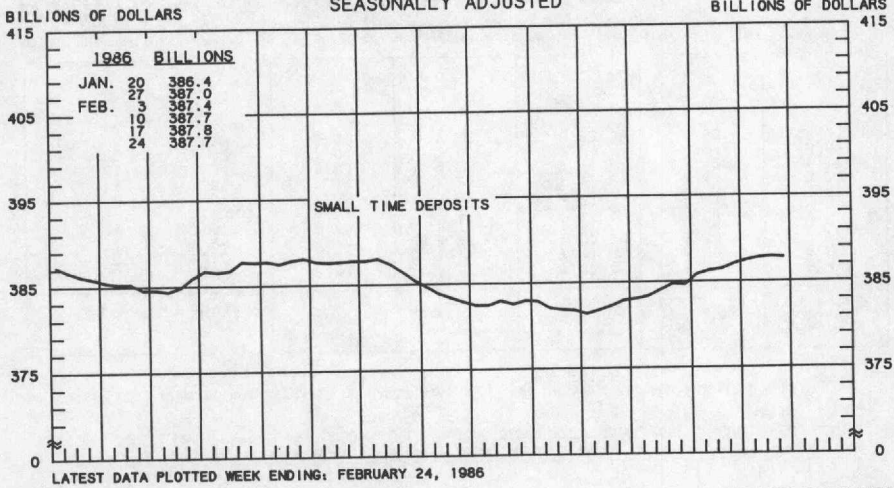
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 7, 1986.

1986	FEDERAL FUNDS %	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
JAN. 3	9.55	7.04	7.07	7.12	8.50	9.44
10	8.20	7.13	7.11	7.21	8.65	9.53
17	7.94	7.17	7.28	7.32	8.86	9.72
24	7.87	6.99	7.14	7.21	8.75	9.67
31	7.83	6.98	7.03	7.11	8.56	9.52
FEB. 7	7.97	7.06	7.06	7.11	8.52	9.46
14	7.85	7.11	7.23	7.12	8.52	9.46
21	7.84	7.05	7.03	7.17	8.44	9.34
28	7.82	7.04	7.00	7.11	8.32	9.07
MAR. 7 *	7.89	6.89	6.87	7.02	8.06	8.62
14 *				6.83	7.66	8.31
21						
28						

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

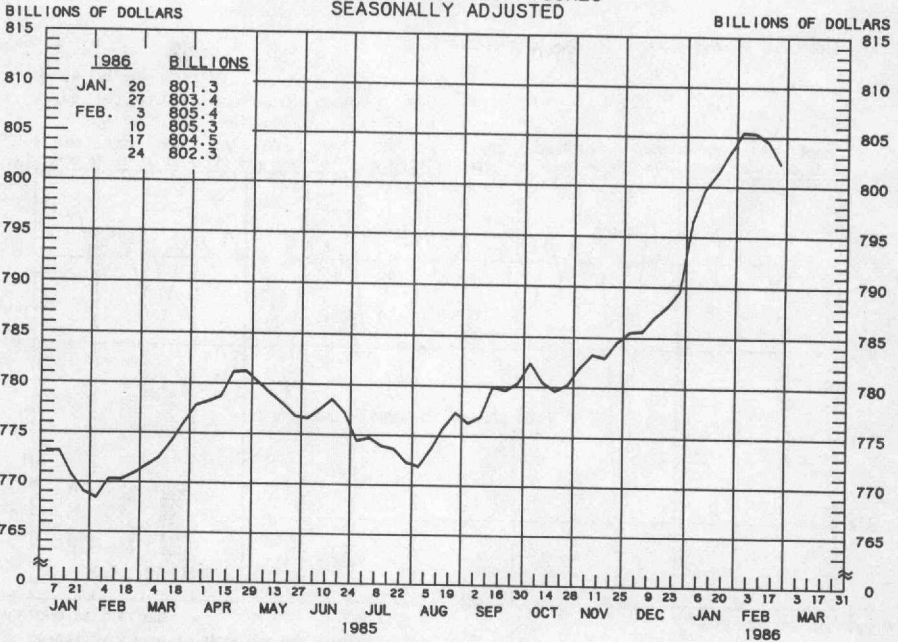


1/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000
 2/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF \$100,000 OR MORE

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COMMERCIAL BANK TOTAL TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 24, 1986

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

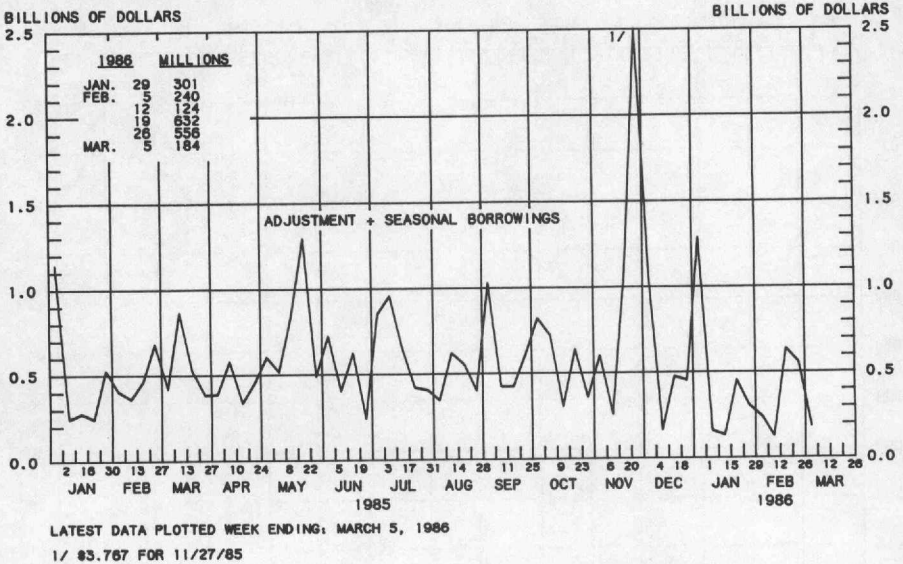
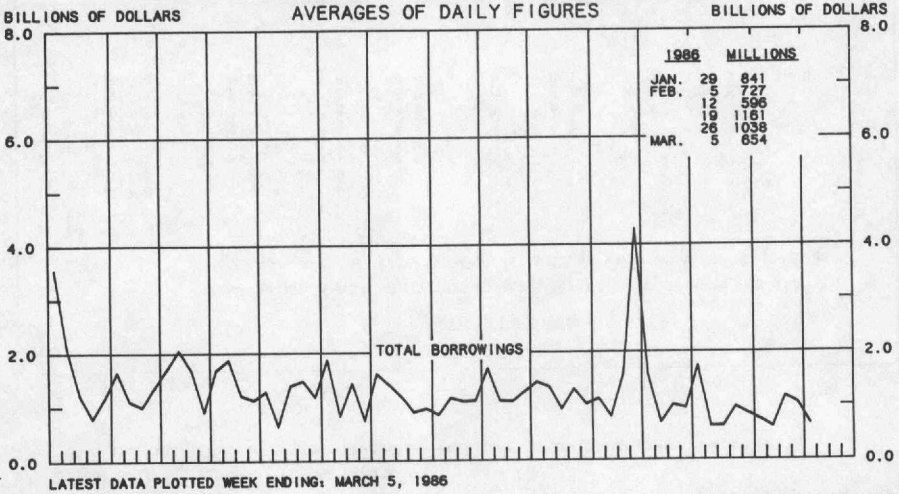
TOTAL TIME DEPOSITS

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

	2/25/85	5/27/85	7/22/85	8/26/85	9/23/85	10/21/85	11/25/85	12/23/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/22/85	1.4							
8/26/85	1.2	-1.9						
9/23/85	1.9	-0.1	3.0					
10/21/85	2.1	0.7	3.4	5.1				
11/25/85	2.3	1.2	3.4	4.4	3.7			
12/23/85	2.6	1.8	3.8	4.7	4.3	4.4		
1/27/86	4.3	4.2	6.6	8.0	8.4	9.6	13.3	
2/24/86	4.5	4.5	6.6	7.8	8.1	9.0	11.3	13.9

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BORROWINGS FROM FEDERAL RESERVE BANKS



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MMDAS, MMMFS AND SUPER NOWS

(BILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED)

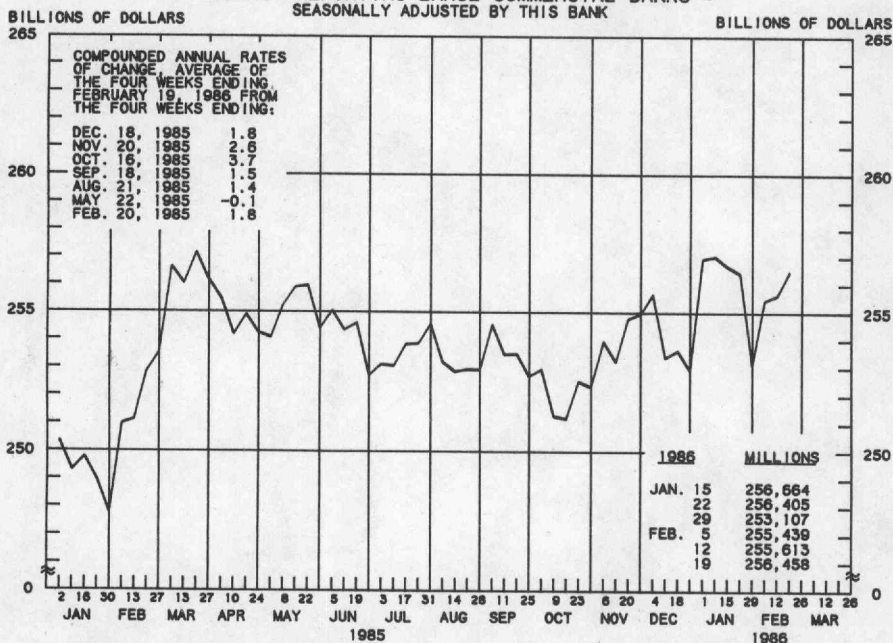
		<u>MMDAs</u> 1/	<u>MMFs</u> 2/	<u>Super NOWs</u> 3/
December	30	\$333.0	\$239.3	\$63.9
January	6	337.0	237.5	66.9
	13	337.7	244.1	67.0
	20	337.1	246.0	66.3
	27	336.2	247.9	65.3
February	3	335.6	247.9	65.9
	10	336.6	247.8	67.4
	17	336.7	247.6	66.7
	24	337.7	248.3	66.7

1/ Money market deposit accounts at commercial banks

2/ Total money market mutual fund balances

3/ NOW accounts at all depository institutions eligible to earn more than 5.25 percent

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



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