

RESEARCH LIBRARYFederal Reserve Bank
of St. Louis**U.S. Financial Data**

APR 07 1986

April 3, 1986

Short-term interest rates declined sharply in March, after a period of relative stability over the preceding nine months. Longer-term interest rates, in contrast, have declined substantially in the past nine months, flattening the yield curve (relative to short-term interest rates) as they have fallen (see table below). During March, however, short-term rates fell about as much as long-term rates, so that the yield curve continued to decline without a further flattening. A common explanation for declining interest rates is that the expected rate of inflation has decreased. Two recent events may help to explain why short-term rates fell with long-term rates during March: the reduction in the discount rate announced on March 7 and sharply declining oil prices, which can be expected to influence the near-term inflation rate.

Spread Between Interest Rates on Selected U.S. Treasury Securities and the Three-Month Treasury Bill Rate (basis points)

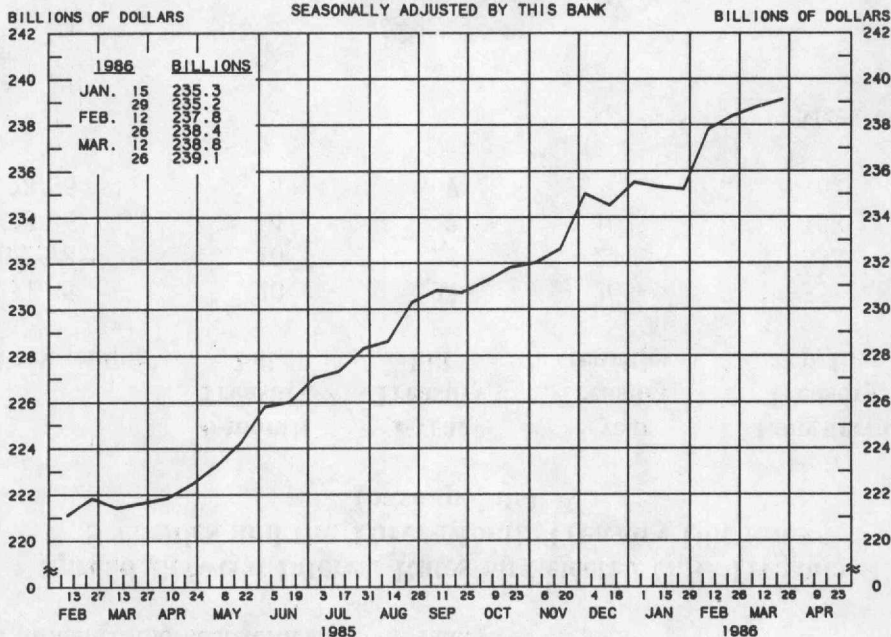
Week ending	6-month Treasury bill	1-year Treasury bill	5-year Treasury securities	Long-term Treasury securities
5/31/85	20	34	265	351
10/25/85	10	25	241	335
2/28/86	-4	-2	102	158
3/28/86	4	7	97	162

—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: MARCH 26, 1986

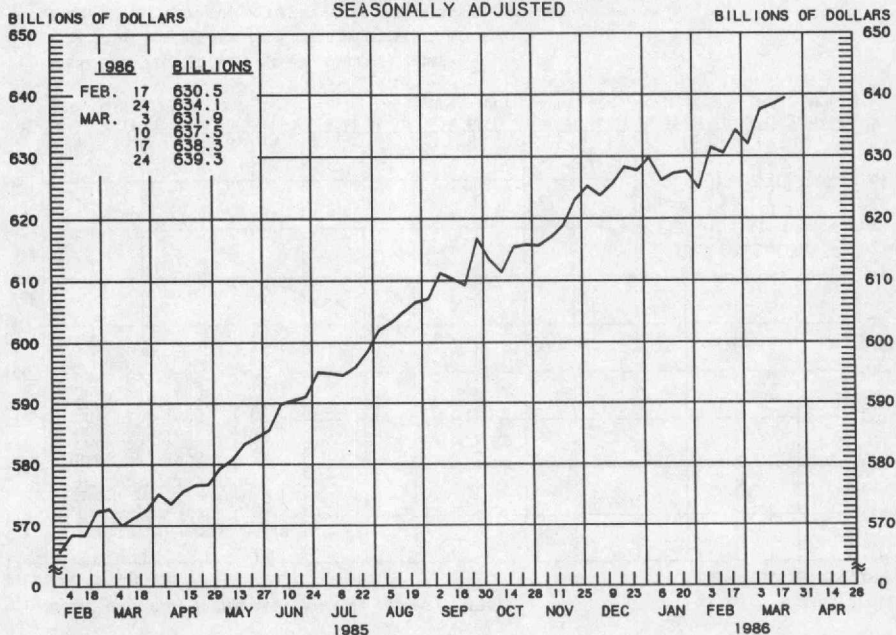
THE ADJUSTED MONETARY BASE IS THE SUM OF RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS) AND AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED 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:								
	3/27/85	7/3/85	8/28/85	9/25/85	10/23/85	11/20/85	1/1/86	1/29/86
TO THE AVERAGE OF TWO MAINTENANCE PERIODS ENDING:								
8/28/85	8.7							
9/25/85	8.6	8.5						
10/23/85	8.0	7.4	5.8					
11/20/85	7.6	6.8	5.4	4.3				
1/1/86	8.0	7.6	7.1	6.9	8.1			
1/29/86	7.4	6.8	6.1	5.7	6.2	6.9		
2/26/86	8.1	7.9	7.6	7.6	8.5	9.6	8.9	
3/26/86	7.9	7.6	7.3	7.2	7.8	8.6	7.6	10.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 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)

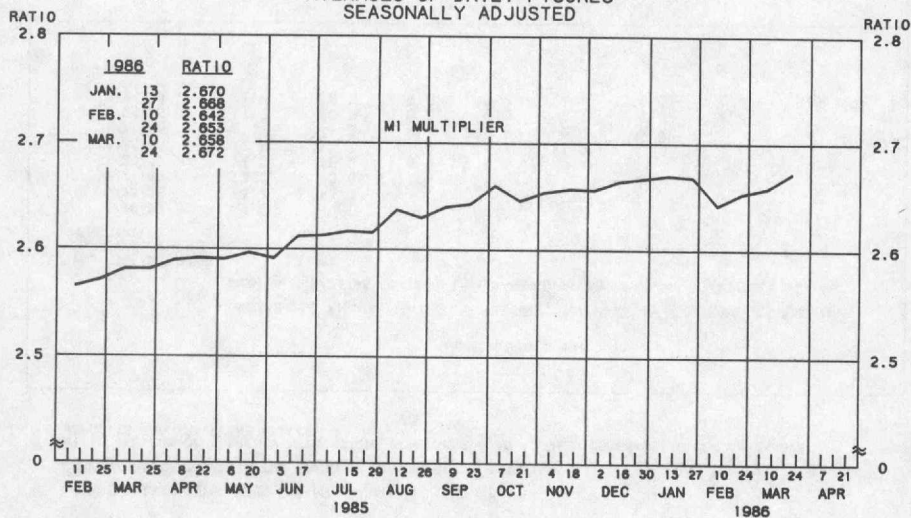
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
 3/25/85 6/24/85 8/26/85 9/23/85 10/21/85 11/25/85 12/23/85 1/27/86

TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

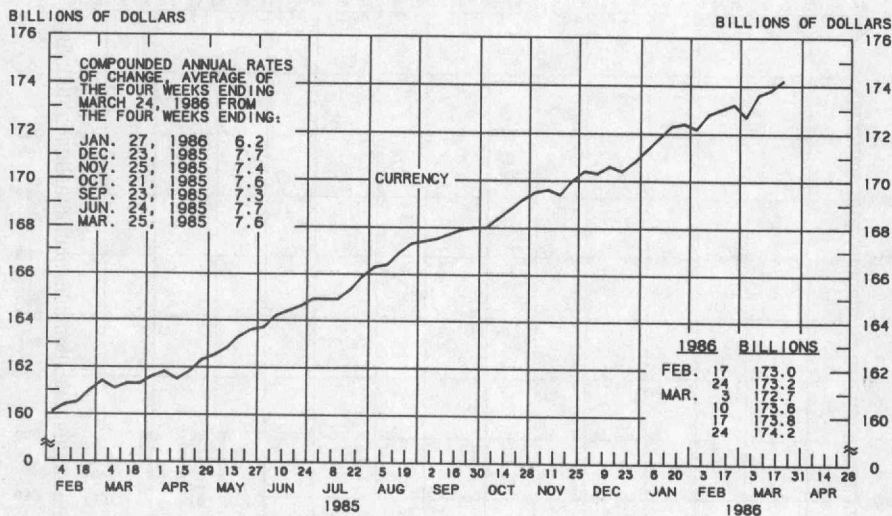
8/26/85	14.0							
9/23/85	13.7	14.4						
10/21/85	13.3	13.6	11.3					
11/25/85	12.5	12.2	9.9	9.0				
12/23/85	12.8	12.7	11.2	11.1	11.2			
1/27/86	11.7	11.2	9.4	8.9	8.3	8.7		
2/24/86	11.2	10.5	8.8	8.3	7.7	7.7	4.3	
3/24/86	11.4	10.9	9.5	9.2	8.9	9.3	7.4	9.9

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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: MARCH 24, 1986



LATEST DATA PLOTTED WEEK ENDING: MARCH 24, 1986

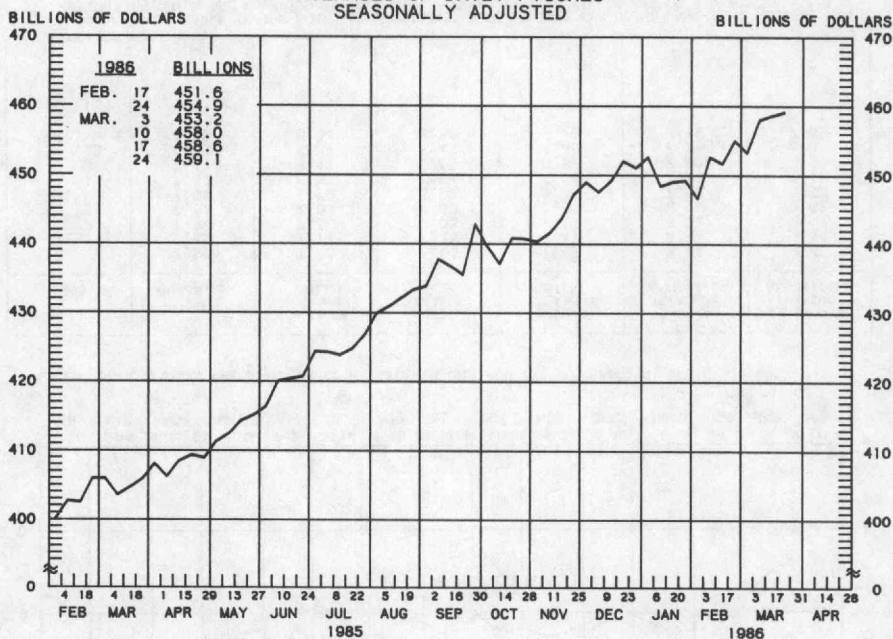
1/ RATIO OF MONEY STOCK (MI) TO ADJUSTED MONETARY BASE

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: MARCH 24, 1986

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

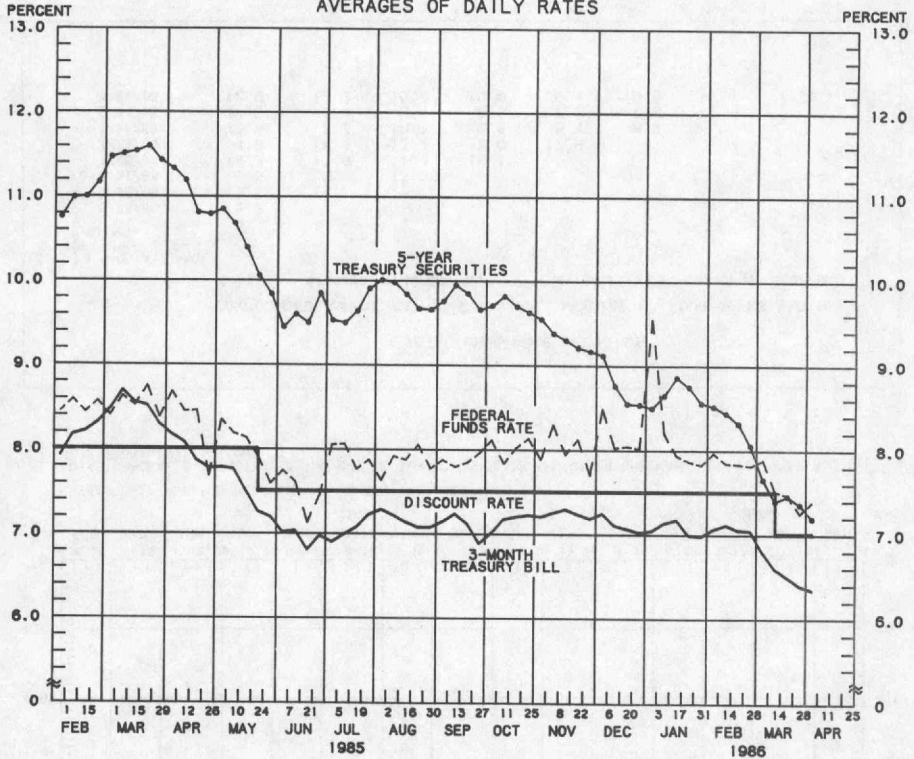
TOTAL CHECKABLE DEPOSITS

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	3/25/85	6/24/85	8/26/85	9/23/85	10/21/85	11/25/85	12/23/85	1/27/86
8/26/85	16.2							
9/23/85	15.8	16.7						
10/21/85	15.5	15.9	13.5					
11/25/85	14.3	13.9	11.2	10.1				
12/23/85	14.9	14.8	13.2	13.0	12.8			
1/27/86	13.2	12.5	10.3	9.5	8.4	8.9		
2/24/86	12.5	11.5	9.4	8.6	7.6	7.6	2.6	
3/24/86	12.9	12.2	10.5	10.0	9.4	10.0	7.1	11.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SELECTED INTEREST RATES AVERAGES OF DAILY RATES



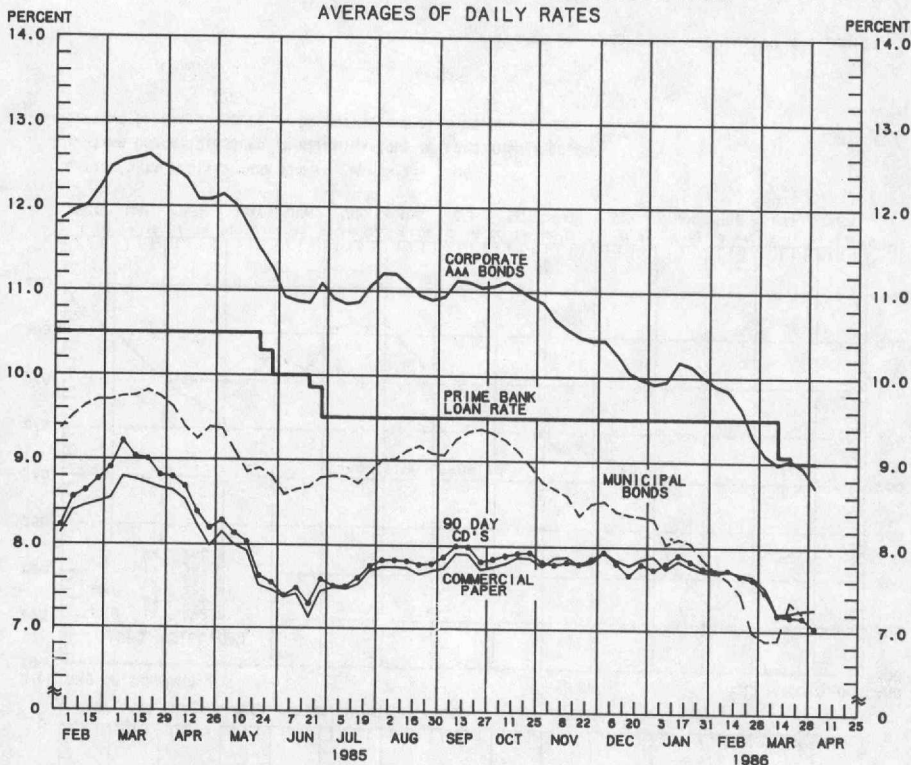
1986	FEDERAL FUNDS %	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
FEB. 7	7.97	7.06	7.06	7.12	8.52	9.46
14	7.85	7.11	7.23	7.17	8.44	9.34
21	7.84	7.05	7.03	7.11	8.32	9.07
28	7.82	7.04	7.00	7.02	8.06	8.62
MAR. 7	7.89	6.79	6.87	6.76	7.66	8.35
14	7.52	6.59	6.54	6.59	7.40	8.17
21	7.47	6.49	6.55	6.57	7.46	8.20
28	7.25	6.39	6.43	6.46	7.36	8.01
APR. 4 *	7.39	6.34	6.32	6.30	7.19	7.62
11						
18						
25						

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

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: APRIL 4, 1986.

1986	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ¹⁹⁸⁶
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	7.46	7.52	7.29	9.08	10.59	6.88
14	7.19	7.20	7.08	8.98	10.50	6.89
21	7.17	7.22	7.05	9.03	10.50	7.34
28	7.16	7.25	7.03	8.94	10.42	7.21
APR. 4 *	7.04	7.26	6.85	8.72	10.30	N.A.
11						
18						
25						

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

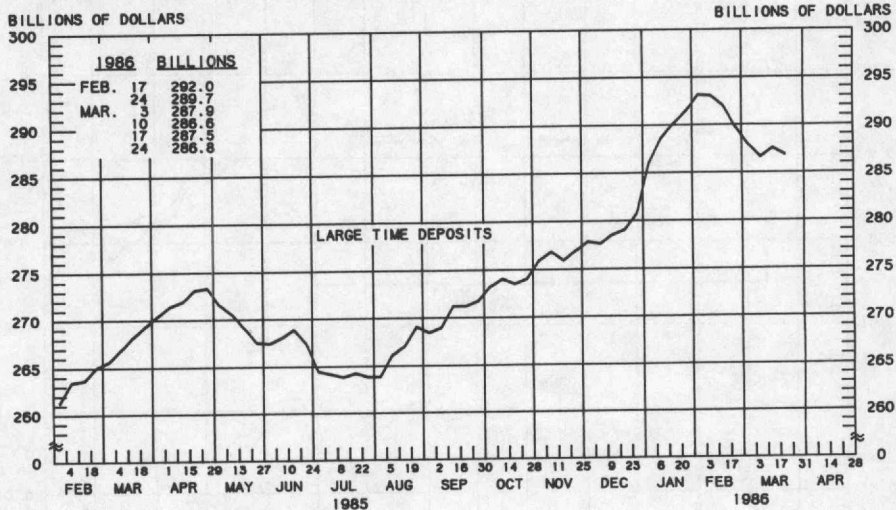
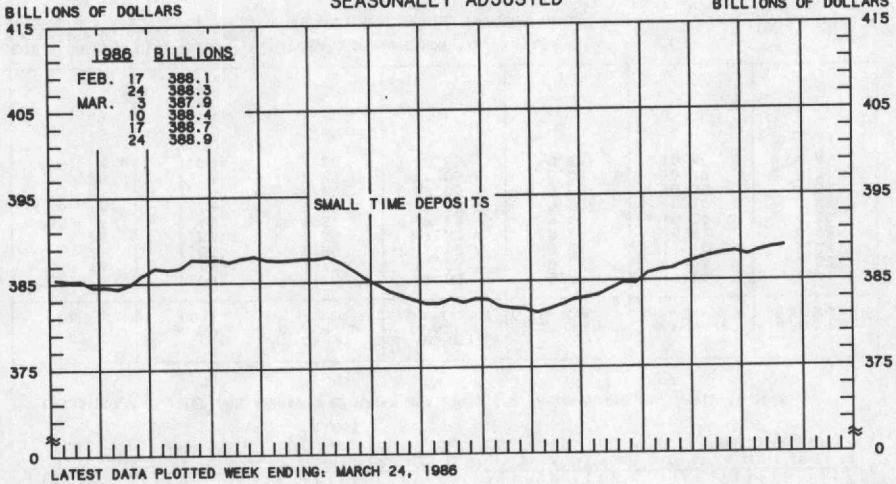
* AVERAGES OF RATES AVAILABLE

¹⁹⁸⁶ BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA

N.A. - NOT AVAILABLE

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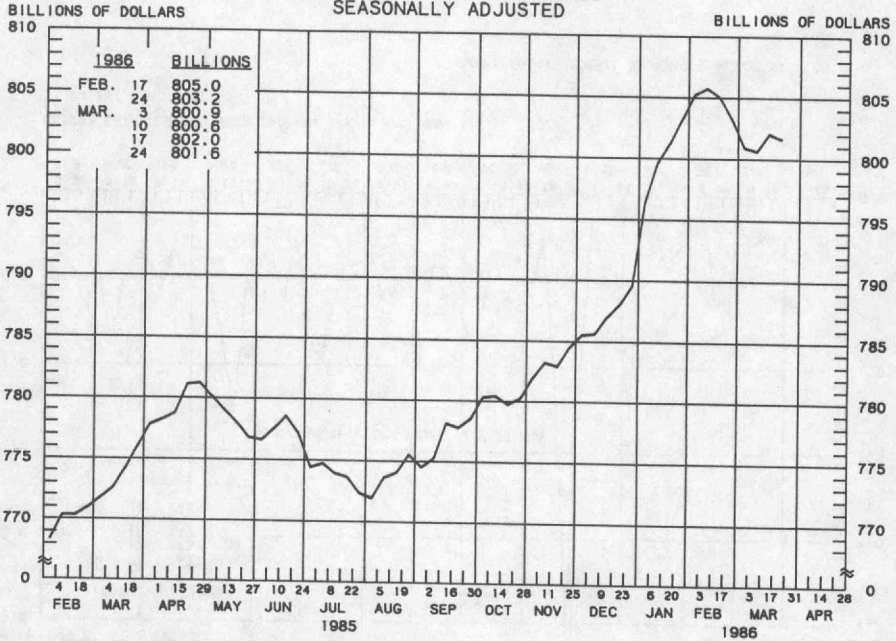
COMMERCIAL BANK
 SMALL TIME DEPOSITS ^{1/}
 LARGE TIME DEPOSITS ^{2/}
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 24, 1986

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

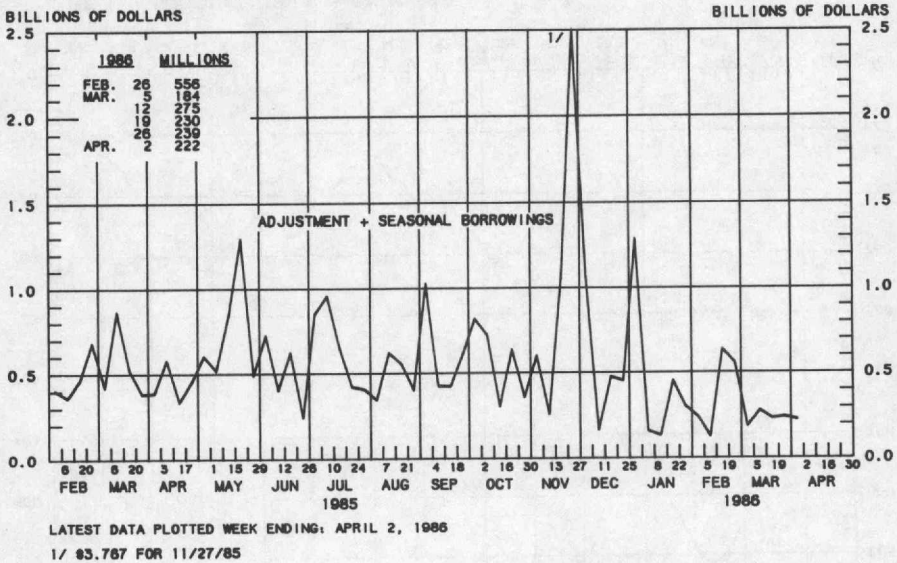
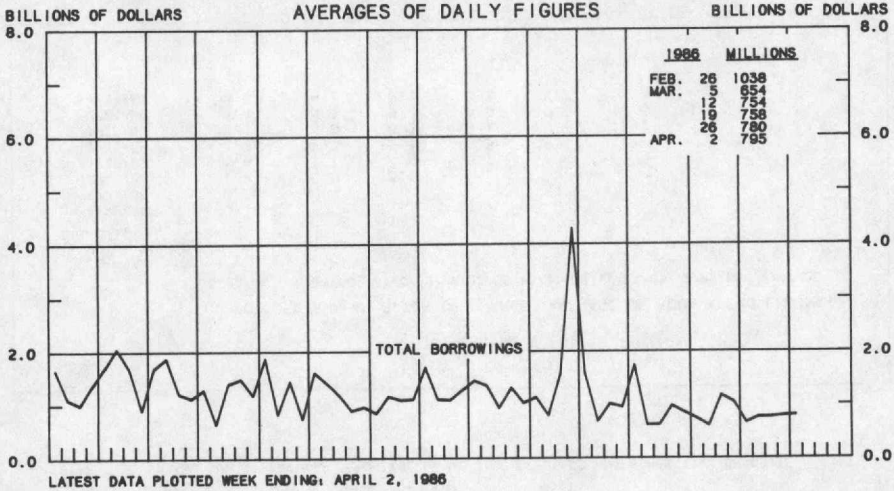
TOTAL TIME DEPOSITS

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

	3/25/85	6/24/85	8/26/85	9/23/85	10/21/85	11/25/85	12/23/85	1/27/86
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/26/85	0.1							
9/23/85	0.7	-0.6						
10/21/85	1.4	0.9	5.1					
11/25/85	1.8	1.7	4.9	5.1				
12/23/85	2.2	2.3	5.1	5.3	5.1			
1/27/86	4.1	4.9	8.2	9.1	10.1	13.2		
2/24/86	4.4	5.3	8.2	8.9	9.6	11.6	14.2	
3/24/86	3.6	4.1	6.2	6.5	6.7	7.3	7.7	1.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MMDAS, MMMFS AND SUPER NOWS

(BILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED)

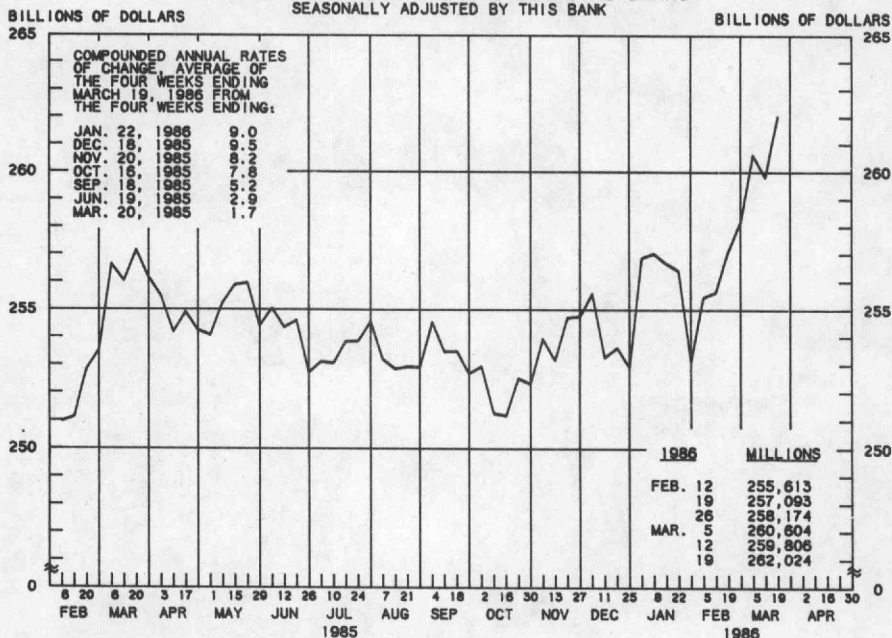
		MMDAs ^{1/}	MMMFs ^{2/}	Super NOWs ^{3/}
January	27	\$336.2	\$247.9	\$65.3
February	3	335.6	248.3	65.9
	10	336.6	248.3	67.4
	17	336.7	248.1	66.7
	24	337.7	248.8	66.7
March	3	338.4	249.9	67.4
	10	339.7	252.6	68.9
	17	340.4	255.5	68.3
	24	340.6	258.7	68.0

^{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



LATEST DATA PLOTTED WEEK ENDING: MARCH 19, 1986

^{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