

JUN 24 1986

June 19, 1986

From this time last year to April 1986, interest rates generally declined. Long-term rates fell dramatically, dropping 299 basis points from the week ending June 21, 1985, to the week ending April 18, 1986. Short-term rates declined much less, with the three-month Treasury bill rate falling 97 basis points over the same period. As the table below shows, the spreads between the yield on three-month Treasury bills and those on longer-term Treasury securities fell substantially over much of the past year. In the last two months, however, these trends have been reversed, with interest rate spreads increasing as longer-term rates have increased more rapidly than short-term rates. Since April 18, for example, the three-month Treasury bill rate has risen 26 basis points, while the long-term Treasury securities rate has risen 70 basis points.

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
6/21/85	9	33	269	360
4/18/86	9	1	96	158
6/20/86	8	9	136	202

—Richard G. Sheehan



MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 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)

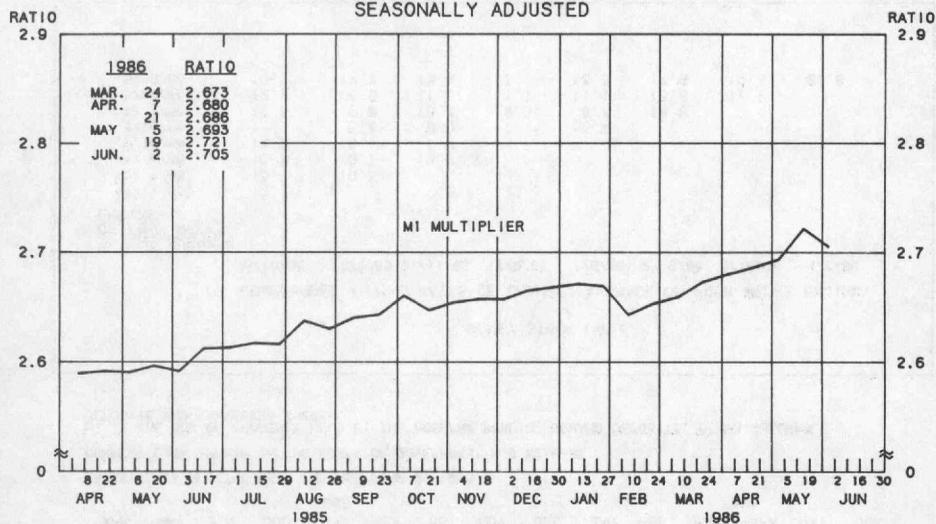
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

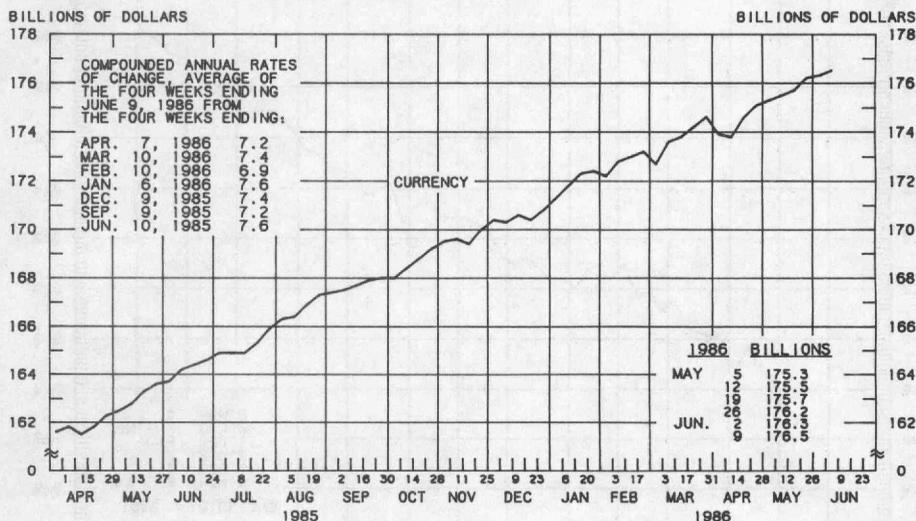
	6/10/85	9/9/85	11/11/85	12/9/85	1/6/86	2/10/86	3/10/86	4/7/86
11/11/85	12.7							
12/ 9/85	13.1	10.5						
1/ 6/86	12.8	10.7	13.2					
2/10/86	10.9	8.1	7.9	4.7				
3/10/86	11.1	8.8	9.0	7.1	5.4			
4/ 7/86	11.5	9.8	10.4	9.3	8.7	14.6		
5/12/86	12.2	10.9	11.8	11.1	11.1	15.8	17.2	
6/ 9/86	13.1	12.3	13.4	13.1	13.5	17.8	19.5	20.8

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED TWO WEEKS ENDING: JUNE 2, 1986



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1986

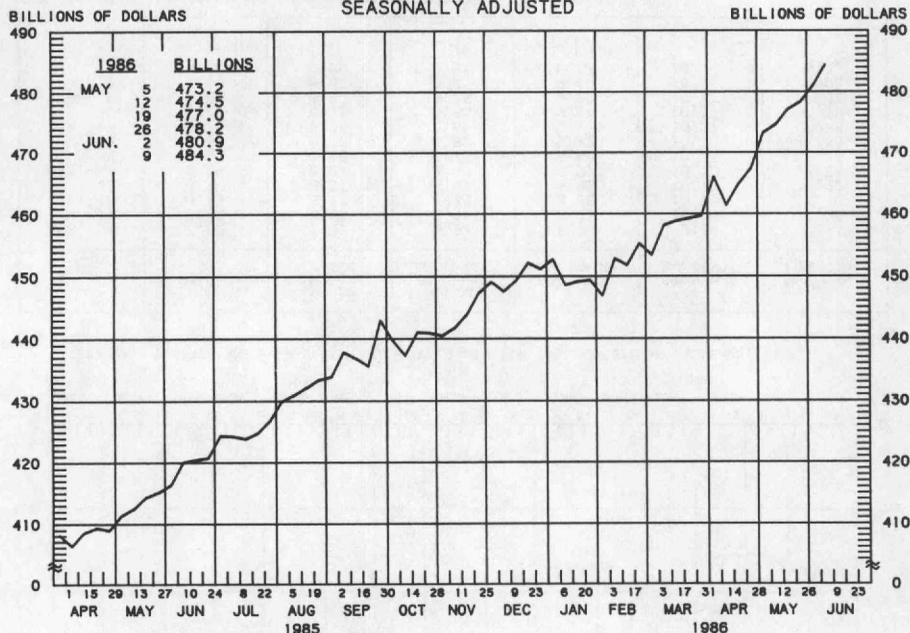
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

2/ 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: JUNE 9, 1986

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

TOTAL CHECKABLE DEPOSITS

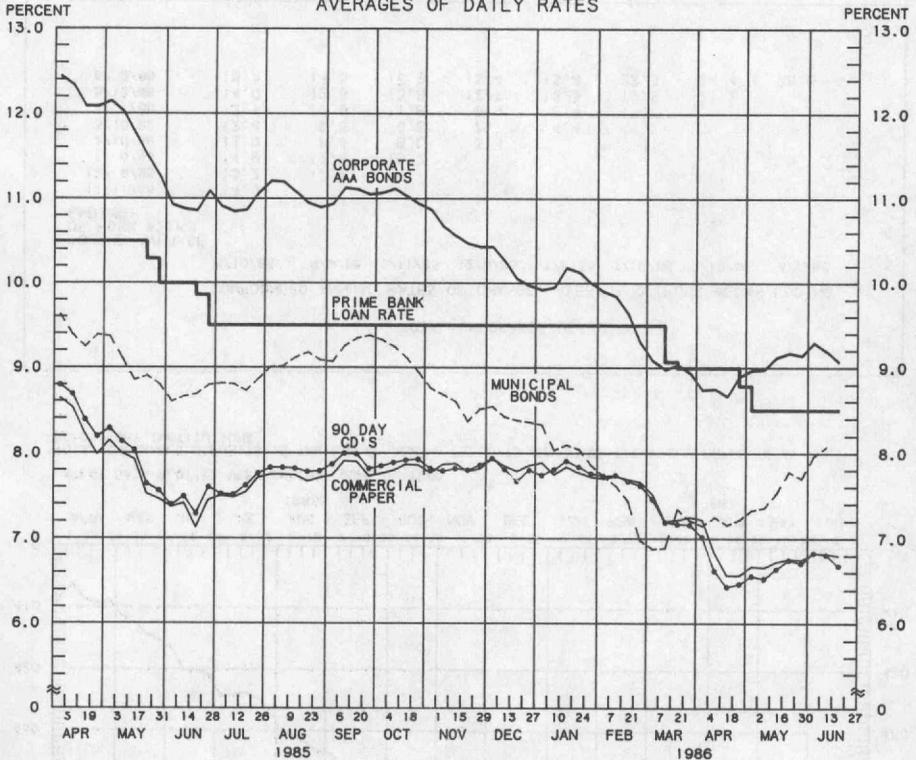
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	6/10/85	9/9/85	11/11/85	12/9/85	1/6/86	2/10/86	3/10/86	4/7/86
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/11/85	14.5							
12/ 9/85	15.2	12.2						
1/ 6/86	14.9	12.5	16.2					
2/10/86	12.0	8.5	8.0	3.4				
3/10/86	12.4	9.6	9.8	7.1	4.4			
4/ 7/86	13.1	10.9	11.6	9.9	8.9	17.7		
5/12/86	14.0	12.5	13.6	12.7	12.5	19.5	21.2	
6/ 9/86	15.3	14.3	15.9	15.4	15.8	22.3	24.4	26.6

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YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 20, 1986.

1986	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS ^{***}
APR. 4	7.02	7.22	6.82	8.74	10.28	7.15
11	6.62	6.83	6.48	8.75	10.24	7.25
18	6.44	6.57	6.32	8.66	10.13	7.16
MAY 25	6.47	6.57	6.47	8.90	10.13	7.22
2	6.56	6.67	6.47	8.97	10.20	7.33
9	6.53	6.66	6.41	8.98	10.16	7.36
16	6.64	6.73	6.59	9.12	10.29	7.53
23	6.75	6.76	6.65	9.17	10.37	7.78
30	6.71	6.75	6.63	9.14	10.37	7.70
JUNE 6	6.83	6.83	6.76	9.29	10.47	7.97
13	6.81	6.82	6.65	9.19	10.43	8.08
20 *	6.68	6.80	6.55	9.07	10.29	N.A.
27						

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

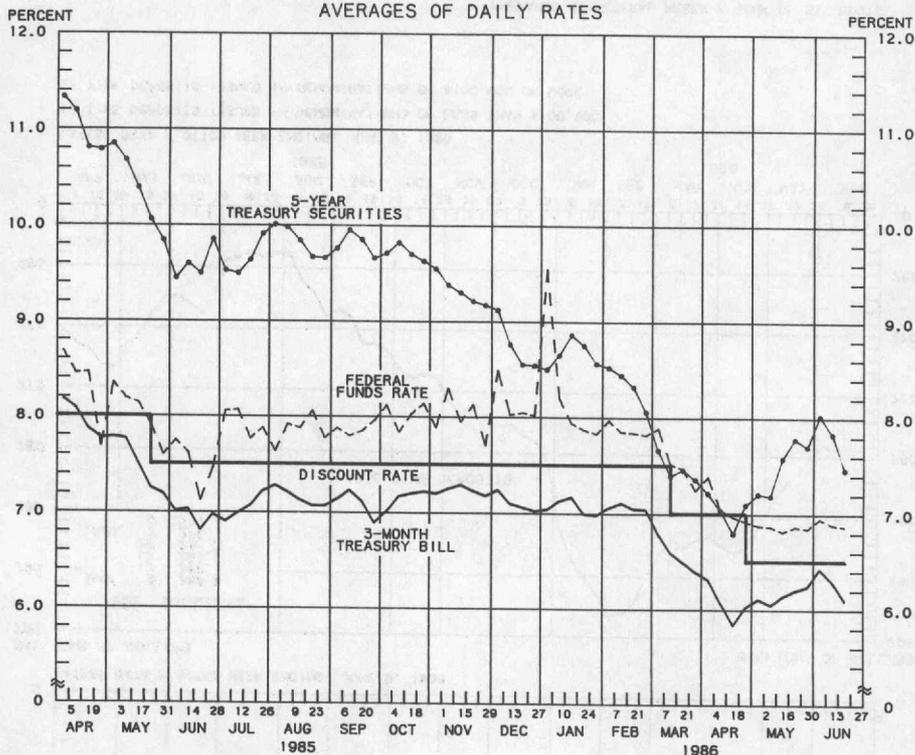
* AVERAGES OF RATES AVAILABLE

** 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



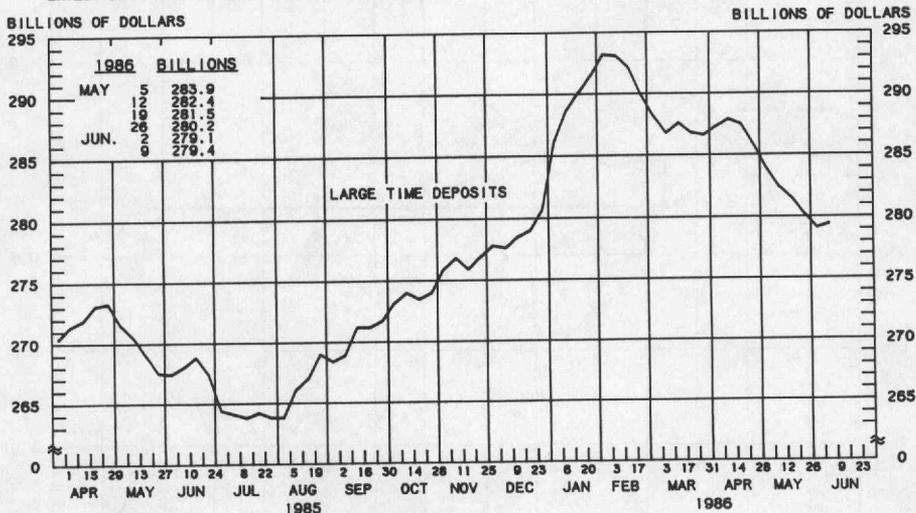
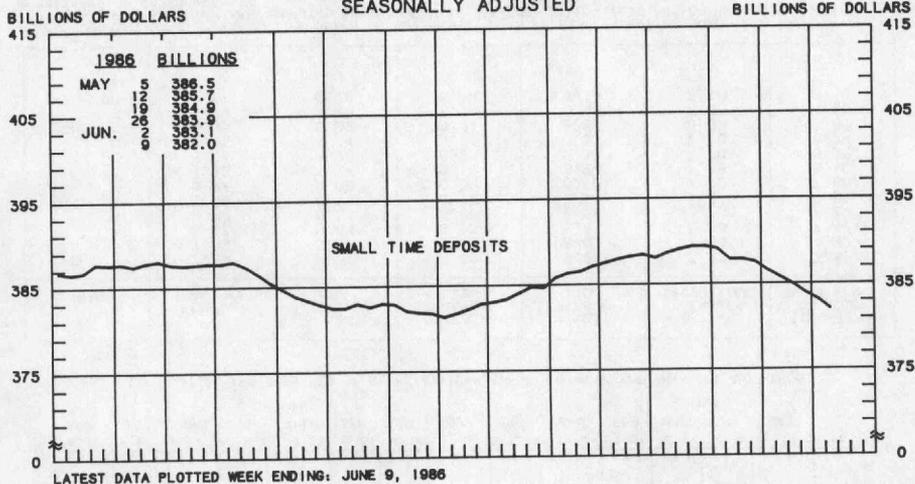
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 20, 1986.

1986	FEDERAL FUNDS %*	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %**	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
APR. 4	7.39	6.31	6.32	6.27	7.22	7.66
11	7.05	6.07	6.17	6.03	7.04	7.62
18	6.97	5.84	5.93	5.85	6.80	7.42
25	6.92	6.03	5.87	6.08	7.10	7.70
MAY 2	6.88	6.11	6.14	6.17	7.21	7.81
9	6.87	6.05	6.09	6.10	7.19	7.80
16	6.82	6.14	6.10	6.24	7.58	8.10
23	6.87	6.20	6.28	6.33	7.78	8.26
30	6.85	6.24	6.21	6.37	7.70	8.24
JUNE 6	6.95	6.42	6.41	6.55	8.02	8.61
13	6.89	6.29	6.39	6.43	7.83	8.50
20 *	6.87	6.10	6.18	6.19	7.46	8.12
27						

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



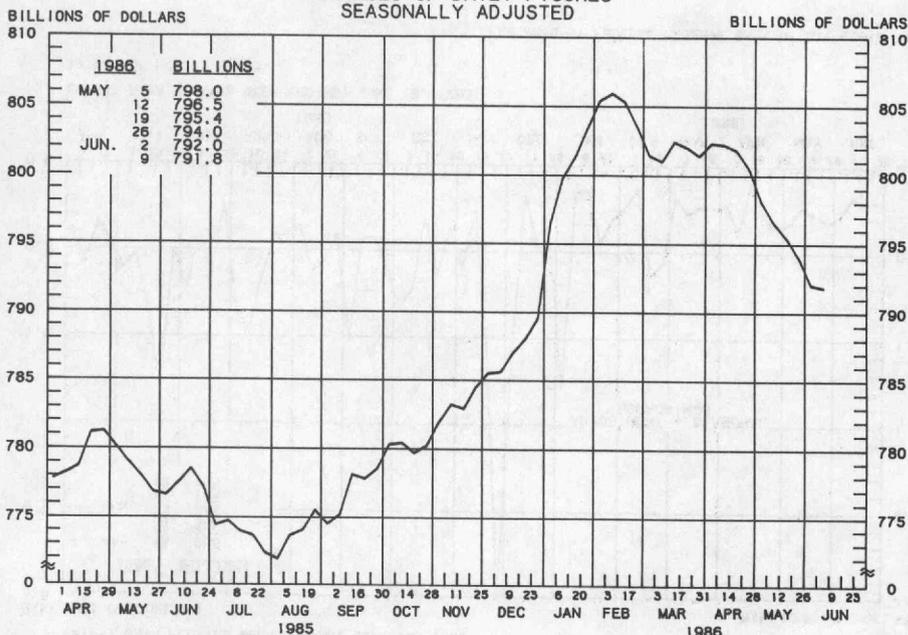
LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1986

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: JUNE 9, 1986

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

TOTAL TIME DEPOSITS

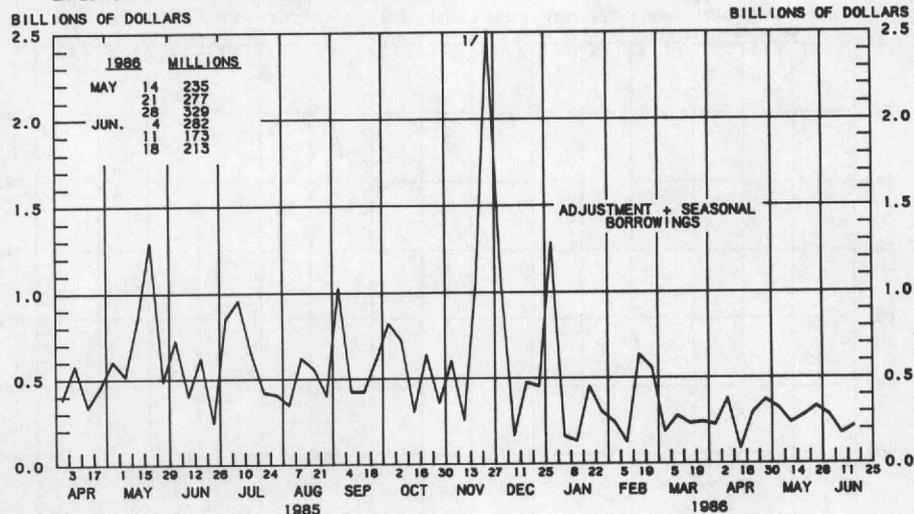
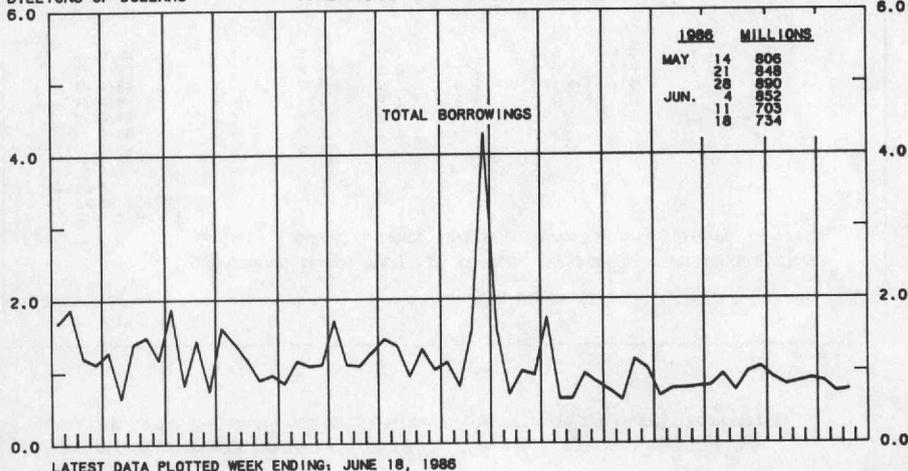
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	6/10/85	9/9/85	11/11/85	12/9/85	1/6/86	2/10/86	3/10/86	4/7/86
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/11/85	1.3							
12/ 9/85	1.9	5.2						
1/ 6/86	2.9	6.2	7.7					
2/10/86	5.2	9.1	12.1	15.2				
3/10/86	4.4	7.4	8.7	9.6	9.5			
4/ 7/86	3.9	6.2	6.7	6.9	6.1	-1.6		
5/12/86	3.1	4.7	4.6	4.5	3.3	-2.4	-2.6	
6/ 9/86	2.1	3.2	2.7	2.2	0.9	-4.0	-4.7	-6.1

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BORROWINGS FROM FEDERAL RESERVE BANKS

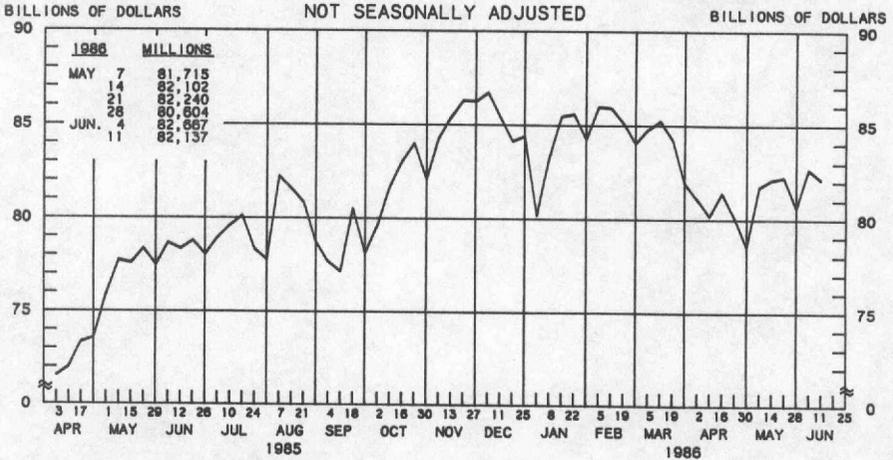
BILLIONS OF DOLLARS AVERAGES OF DAILY FIGURES BILLIONS OF DOLLARS



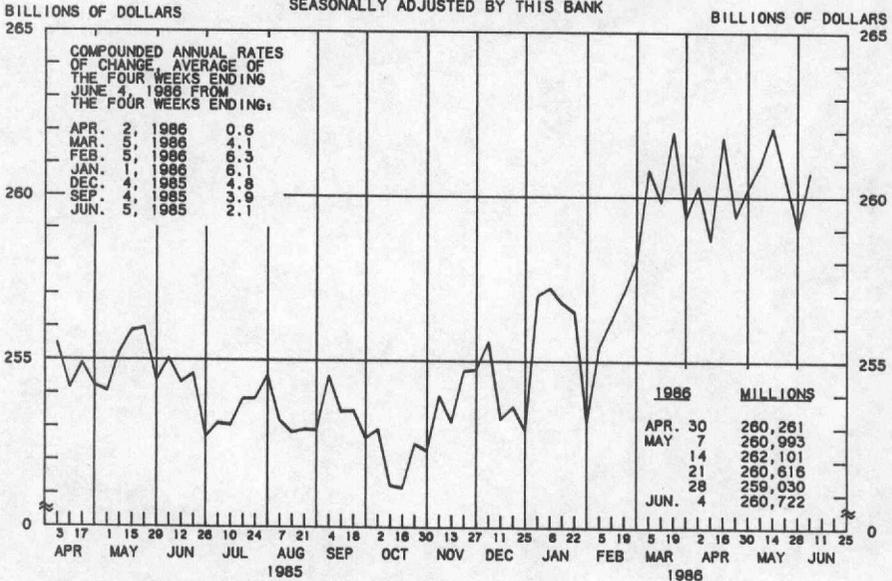
1/ 93.767 FOR 11/27/85

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COMMERCIAL PAPER OF NONFINANCIAL COMPANIES



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



LATEST DATA PLOTTED WEEK ENDING: JUNE 4, 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