

RESEARCH LIBRARY  
Federal Reserve Bank

of St. Louis

# U.S. Financial Data

July 24, 1986

JUL 28 1986

Changes in market interest rates influence the growth of checkable deposits. As interest rates decline, so does the opportunity cost of holding checkable deposits. Since demand deposits pay no explicit interest, their explicit opportunity cost changes by the amount of change in interest rates on alternative money market assets. On the other hand, other checkable deposits (OCDs) do pay explicit interest and, since April of 1986, the rates on all categories of OCDs have been allowed to adjust with market interest rates.

Short-term interest rates have declined substantially over the past 15 months. This decline essentially occurred in two steps. For example, the three-month Treasury bill rate declined by 155 basis points between March and June 1985, remained steady through mid-February 1986, and subsequently declined by another 105 basis points. The table on the back page shows that the two periods of decline in the Treasury bill rate corresponded to periods of more rapid growth in checkable deposits; however, nearly all of this variation in growth is due to variation in the growth of demand deposits. In contrast, OCDs have shown little variation in growth.

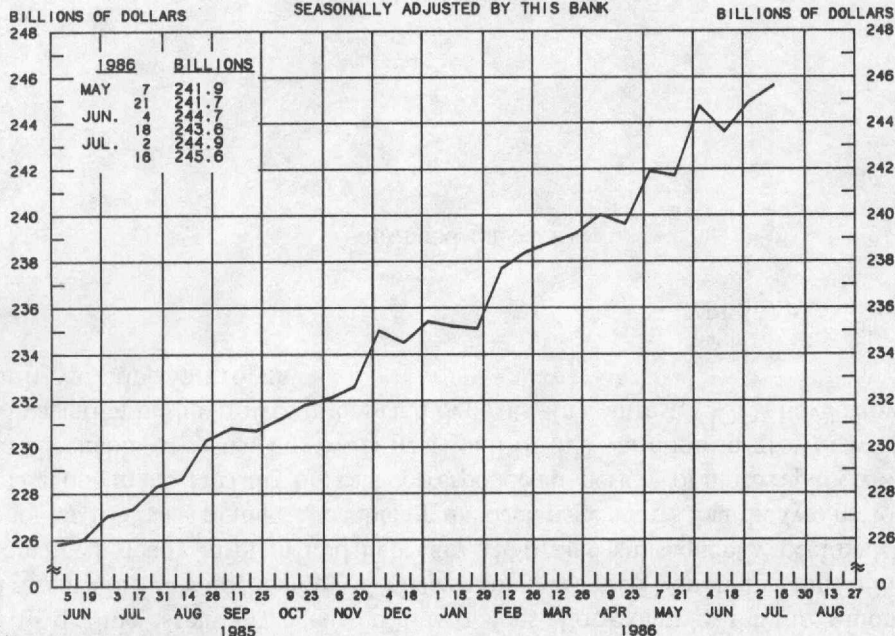
—Philip A. Nuetzel

(continued on back)



## ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED BY THIS BANK



LATEST PLOTTED RESERVE MAINTENANCE PERIOD ENDING: JULY 16, 1986

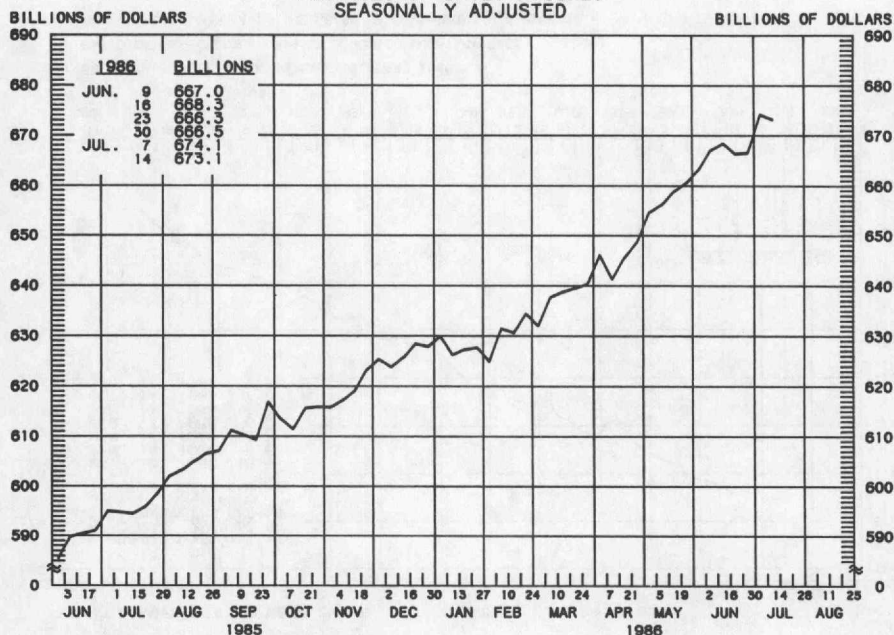
THE ADJUSTED MONETARY BASE IS THE SUM OF RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS) AND AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED 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:									
	7/17/85	10/9/85	12/18/85	1/15/86	2/12/86	3/12/86	4/9/86	5/21/86	
TO THE AVERAGE OF									
TWO MAINTENANCE									
PERIODS ENDING:									
12/18/85	8.1								
1/15/86	7.3								
2/12/86	7.1	6.9	4.5						
3/12/86	7.8	8.0	7.2	9.5					
4/ 9/86	7.5	7.6	6.8	8.2	9.1				
5/21/86	7.6	7.7	7.2	8.2	8.8	7.2			
6/18/86	8.1	8.4	8.2	9.2	9.8	9.0	10.4		
7/16/86	8.0	8.1	7.9	8.7	9.1	8.3	9.1	9.8	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: JULY 14, 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.

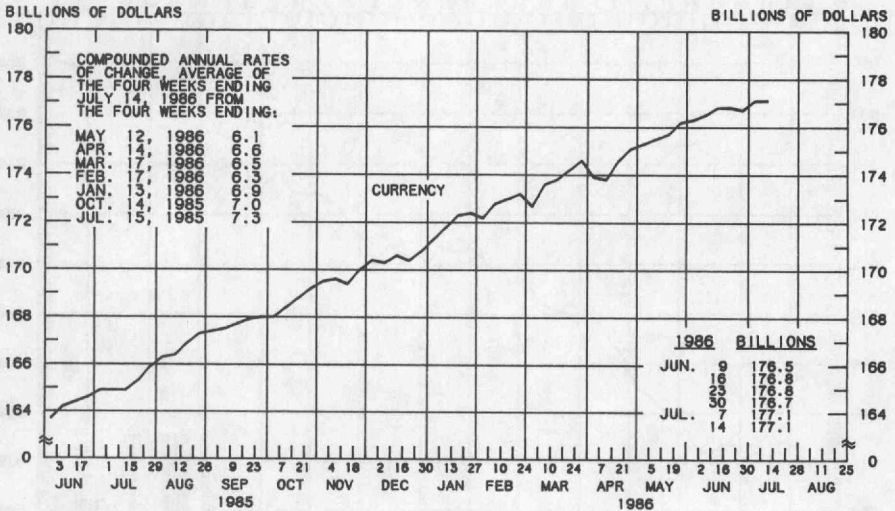
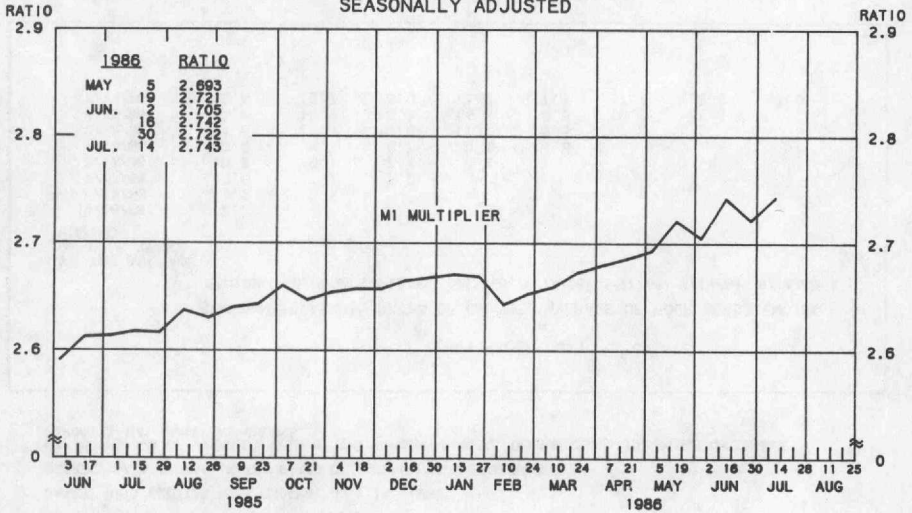
## MONEY STOCK (M1)

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	7/15/85	10/14/85	12/16/85	1/13/86	2/17/86	3/17/86	4/14/86	5/12/86
12/16/85	12.7							
1/13/86	11.9	10.4						
2/17/86	10.0	7.7	3.9					
3/17/86	10.7	9.1	7.4	7.3				
4/14/86	10.9	9.7	8.7	9.1	14.5			
5/12/86	11.8	11.1	10.9	11.7	16.5	17.0		
6/16/86	13.0	12.9	13.3	14.4	18.6	19.5	22.5	
7/14/86	12.8	12.7	13.0	13.8	17.1	17.4	18.8	17.9

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# MONEY MULTIPLIER 1/ CURRENCY COMPONENT OF MONEY STOCK 2/ AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 14, 1986

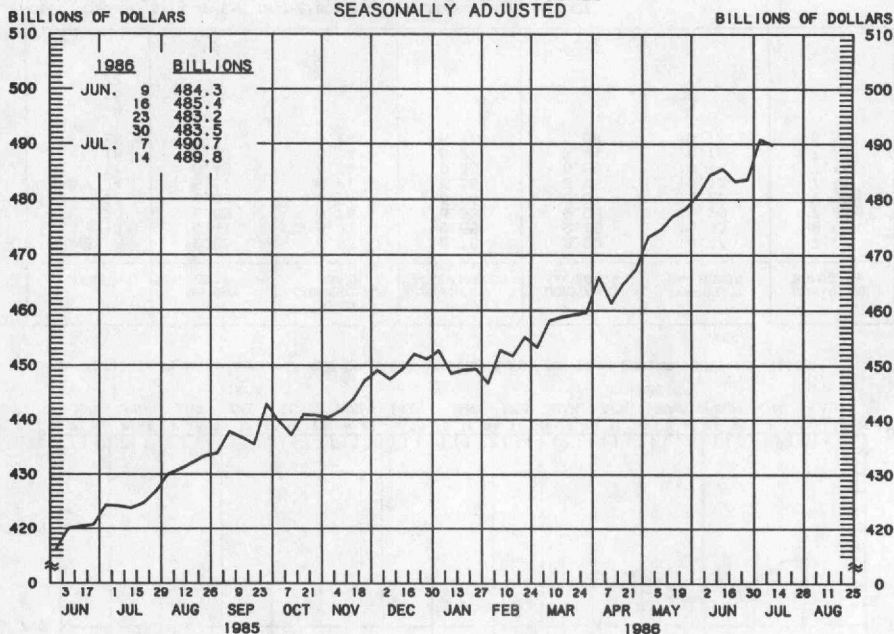
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

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: JULY 14, 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:

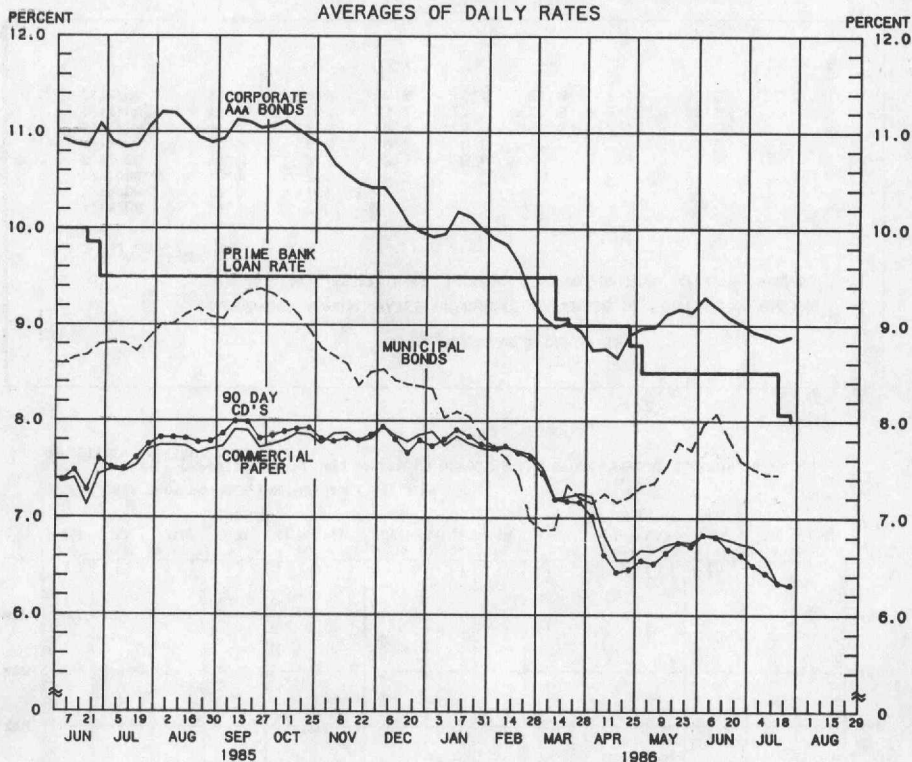
TO THE AVERAGE OF FOUR WEEKS ENDING:	7/15/85	10/14/85	12/16/85	1/13/86	2/17/86	3/17/86	4/14/86	5/12/86
12/16/85	14.5							
1/13/86	13.6	11.7						
2/17/86	10.8	7.6	2.3					
3/17/86	11.8	9.7	7.3	6.8				
4/14/86	12.2	10.6	9.3	9.5	17.7			
5/12/86	13.5	12.6	12.4	13.4	20.6	21.2		
6/16/86	15.2	15.0	15.7	17.1	23.5	24.7	28.9	
7/14/86	15.0	14.8	15.4	16.5	21.4	21.9	23.8	22.5

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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 25, 1986.

1986	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS* ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS **
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	6.76	6.55	9.08	10.29	7.82
27	6.62	6.74	6.54	9.01	10.20	7.59
JULY 4	6.51	6.71	6.39	8.93	10.15	7.51
11	6.43	6.59	6.33	8.89	10.14	7.45
18	6.33	6.34	6.21	8.84	10.10	7.45
25 *	6.31	6.29	6.17	8.88	10.13	N.A.
AUG. 1						
8						
15						
22						
29						

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

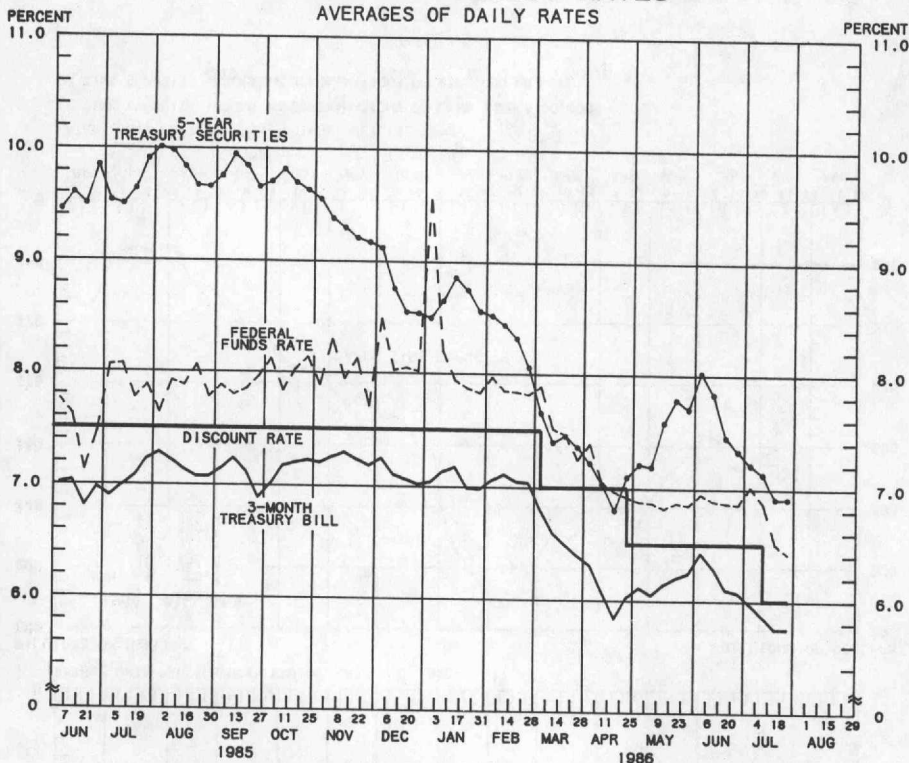
\* AVERAGES OF RATES AVAILABLE

\*\* 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



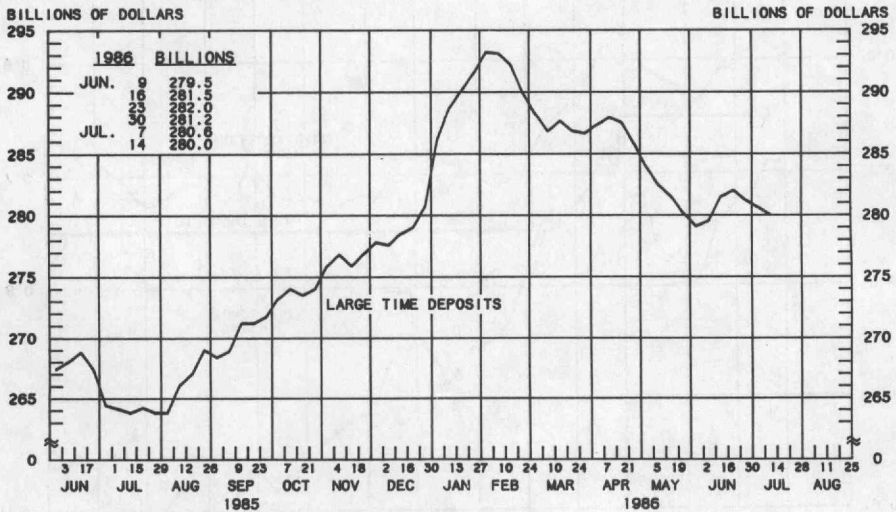
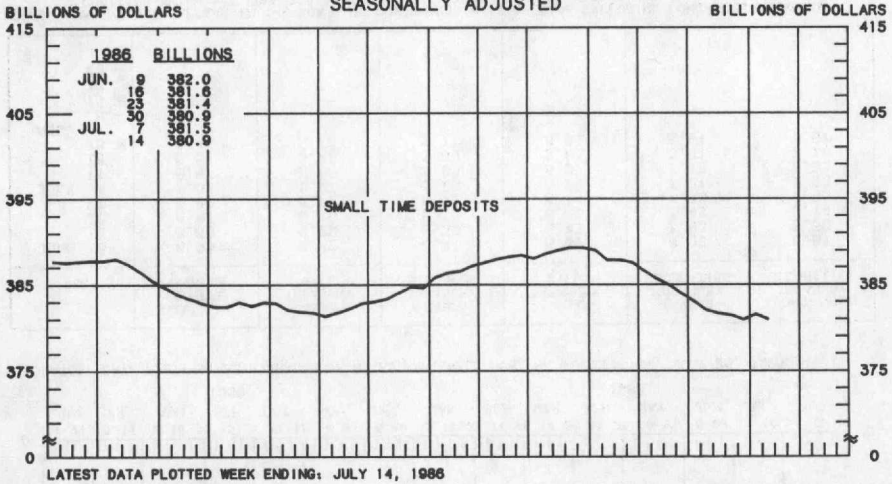
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 25, 1986.

1986	FEDERAL FUNDS RATE	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	6.21	7.45	8.14
27	6.86	6.07	6.13	6.14	7.33	7.95
JULY 4	7.02	5.97	5.96	5.98	7.21	7.83
11	6.87	5.86	5.85	5.92	7.13	7.83
18	6.51	5.75	5.80	5.83	6.91	7.76
25 *	6.42	5.75	5.77	5.85	6.91	7.87
AUG. 1						
8						
15						
22						
29						

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 14, 1986

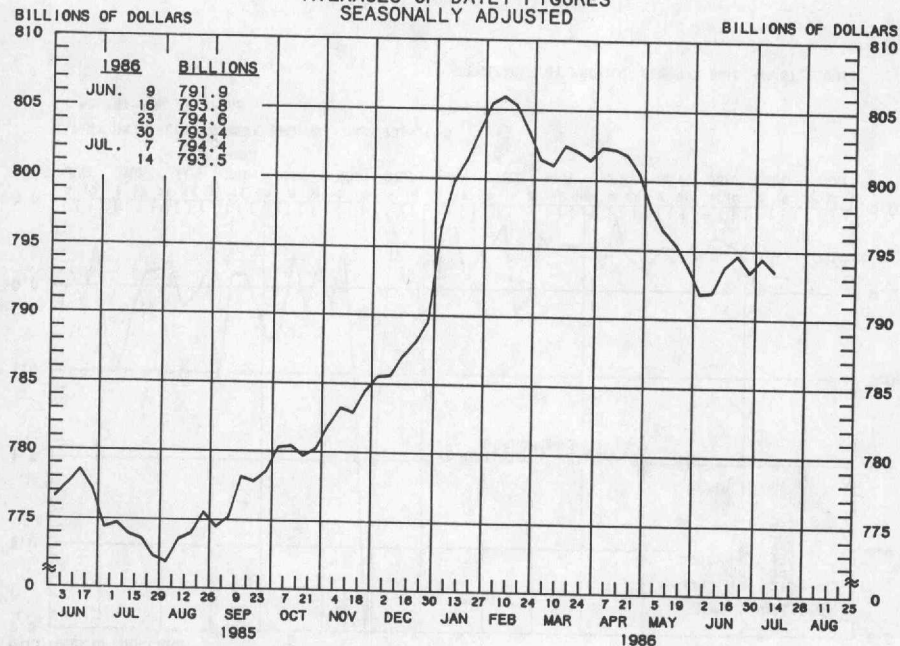
1/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000

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: JULY 14, 1986

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

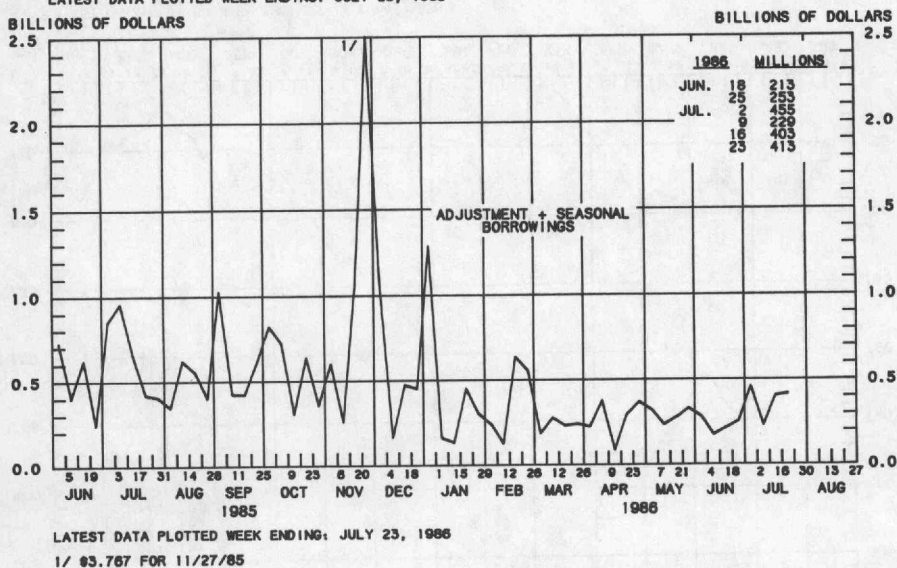
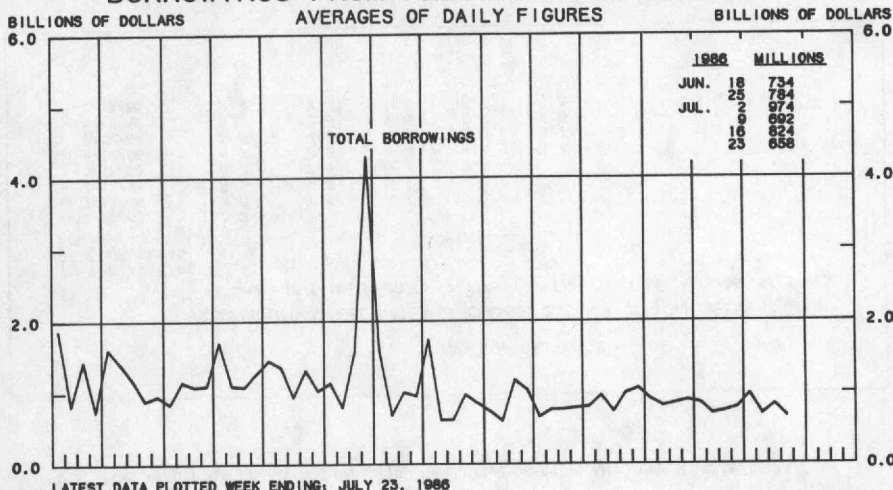
## TOTAL TIME DEPOSITS

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

	7/15/85	10/14/85	12/16/85	1/13/86	2/17/86	3/17/86	4/14/86	5/12/86
TO THE AVERAGE OF FOUR WEEKS ENDING:								
12/16/85	3.3							
1/13/86	4.8	7.5						
2/17/86	6.6	9.8	15.1					
3/17/86	5.2	7.1	8.6	6.4				
4/14/86	4.7	5.9	6.5	4.4	-2.4			
5/12/86	3.8	4.5	4.3	2.2	-3.1	-2.3		
6/16/86	2.5	2.6	1.8	-0.2	-4.6	-4.6	-6.4	
7/14/86	2.4	2.5	1.8	0.1	-3.3	-3.1	-3.9	-3.7

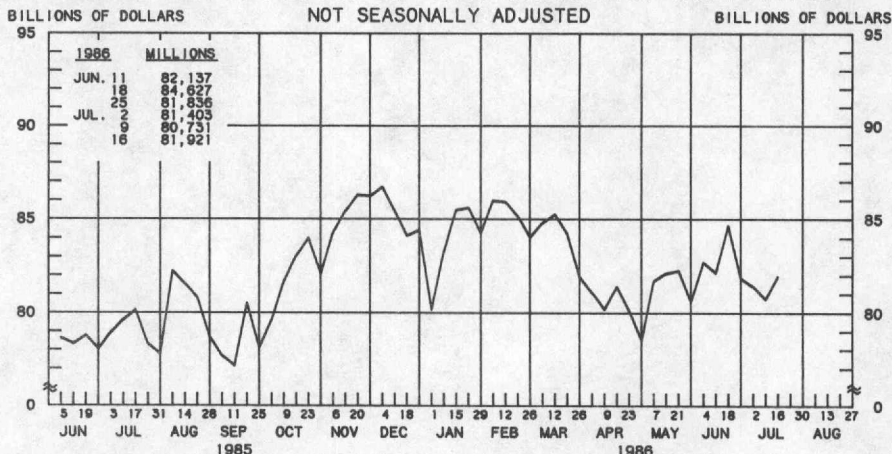
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# BORROWINGS FROM FEDERAL RESERVE BANKS



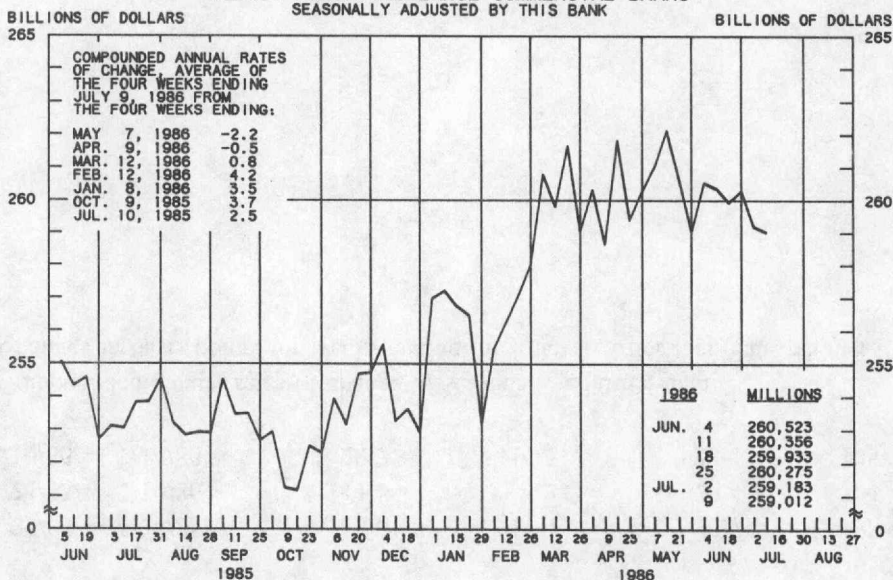
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# COMMERCIAL PAPER OF NONFINANCIAL COMPANIES



LATEST DATA PLOTTED WEEK ENDING: JULY 16, 1986

## 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 9, 1986

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

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

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## Growth Rates of Checkable Deposits and Changes in the Three-Month Treasury Bill Rate

Averages of four weeks ending	Total checkable deposits <sup>1</sup>	Demand deposits <sup>1</sup>	Other checkable deposits <sup>1</sup>	Bill rate <sup>2</sup>
3/25/85 — 6/24/85	15.0%	11.4%	20.7%	-155
6/24/85 — 2/10/86	11.5	6.2	20.4	4
2/10/86 — 7/14/86	20.7	16.5	27.1	-105

<sup>1</sup>Compounded annual rates of change of seasonally adjusted data

<sup>2</sup>Changes in basis points for weeks ending three days earlier than dates shown