

RESEARCH LIBRARY

Federal Reserve Bank

of St. Louis

U.S. Financial Data

SEP 02 1986

August 28, 1986

The prime rate has been reduced by 50 basis points on four occasions since early March. In each instance, the reduction in the prime coincided with declines in banks' cost of acquiring loanable funds. The primary sources of loanable funds for banks are certificates of deposits (CDs) and the federal funds market.

Over the period between mid-June 1985 and early March 1986, when the prime rate held constant at 9.50 percent, the average spread between the prime and the 90-day CD rate was about 170 basis points; the average prime-federal funds rate spread was about 150 basis points. As the table below indicates, these spreads had widened before each of the recent reductions in the prime rate.

Average Interest Rate Spreads Prior to Recent Changes in the Prime Rate (basis points)

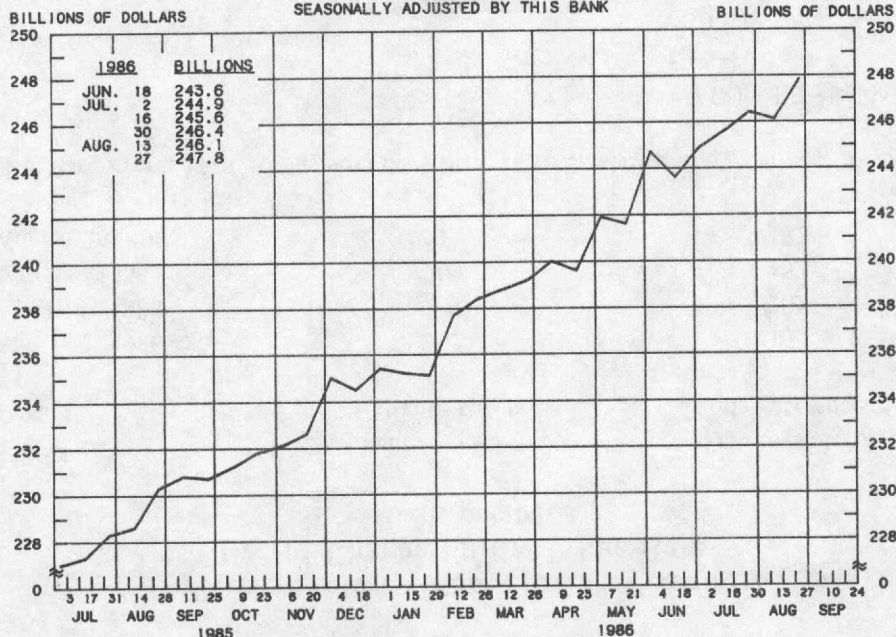
Period ¹	Prime—90-day CD rate spread	Prime—federal funds rate spread
March 7, 1986	192	166
April 21, 1986	247	205
July 11, 1986	200	153
August 26, 1986	212	182

¹Data are averages of 10 business days prior to dates shown.

—Michael T. Belongia



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



LATEST PLOTTED RESERVE MAINTENANCE PERIOD ENDING: AUGUST 27, 1986

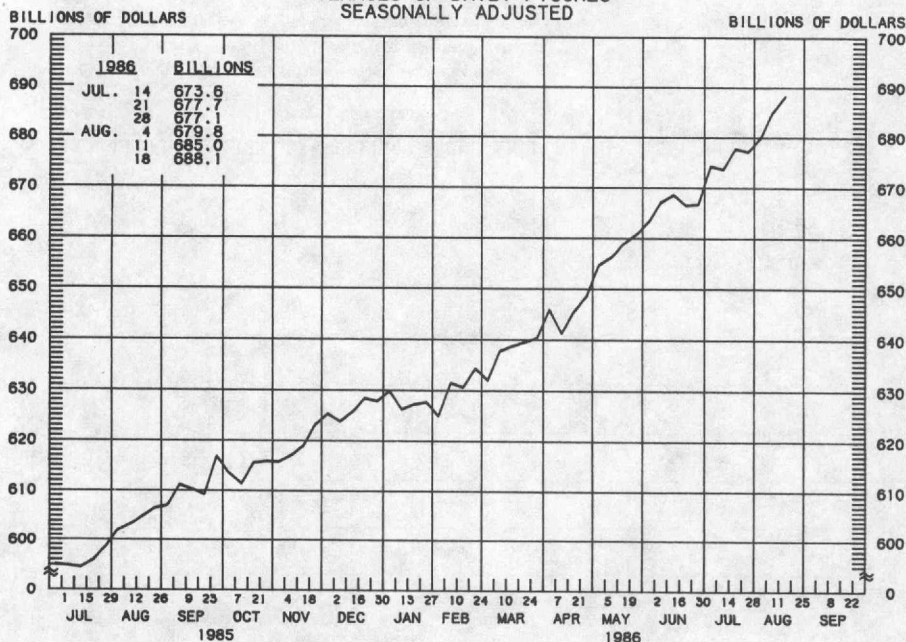
THE ADJUSTED MONETARY BASE IS THE SUM OF RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS) AND AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED 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:								
	6/28/85	11/20/85	1/29/86	2/26/86	3/26/86	4/23/86	5/21/86	7/2/86
TO THE AVERAGE OF TWO MAINTENANCE PERIODS ENDING:								
1/29/86	6.0							
2/26/86	7.6	9.4						
3/26/86	7.3	8.4	11.0					
4/23/86	6.9	7.7	8.8	4.7				
5/21/86	7.4	8.3	9.4	6.9	7.9			
7/ 2/86	7.7	8.5	9.4	7.7	8.5	10.2		
7/30/86	7.8	8.6	9.4	8.0	8.7	9.9	9.4	
8/27/86	7.6	8.2	8.9	7.6	8.1	8.9	8.2	7.4

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 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)

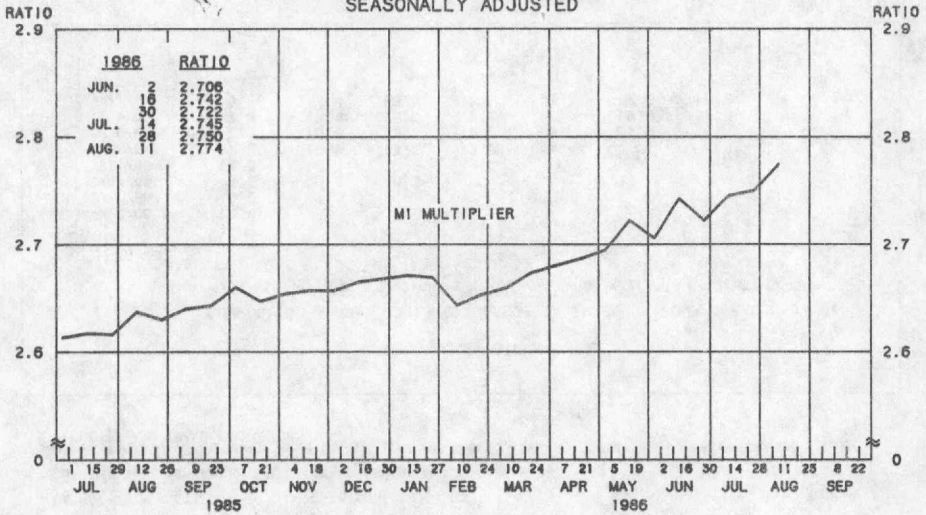
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

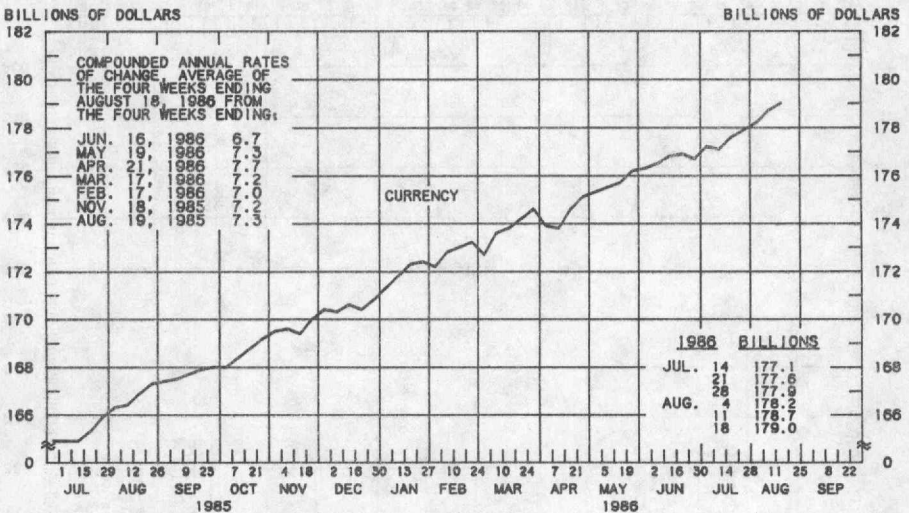
	8/19/85	11/18/85	1/20/86	2/17/86	3/17/86	4/21/86	5/19/86	6/16/86
1/20/86	10.4							
2/17/86	9.0	7.8						
3/17/86	9.9	9.6	8.5					
4/21/86	10.3	10.4	10.2	14.3				
5/19/86	11.8	12.6	13.6	17.6	18.4			
6/16/86	12.7	13.9	15.3	18.7	19.7	23.9		
7/21/86	12.8	13.8	15.0	17.5	18.0	19.9	17.5	
8/18/86	13.4	14.4	15.6	17.9	18.3	19.8	18.2	16.3

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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: AUGUST 11, 1986



LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 1986

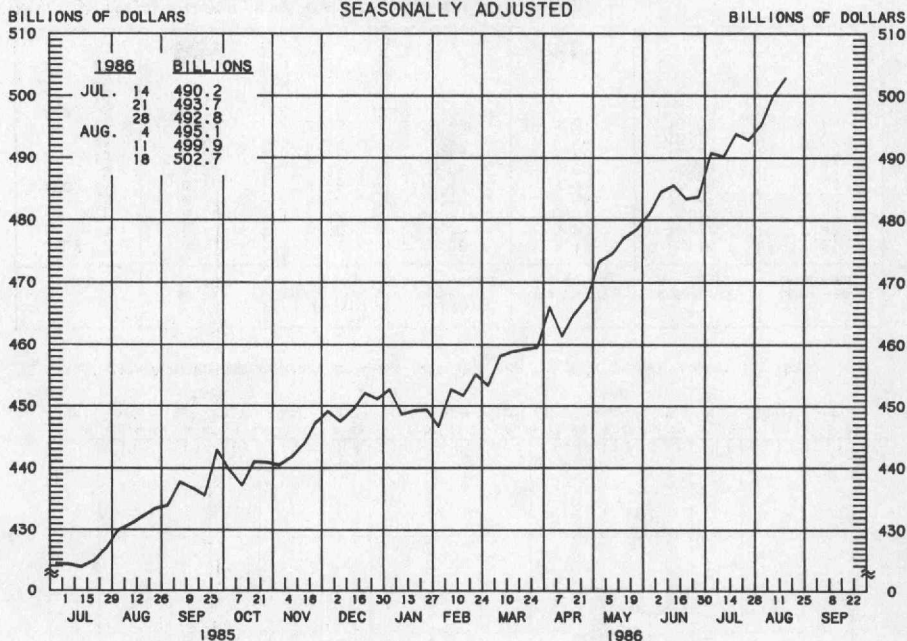
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

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: AUGUST 18, 1986

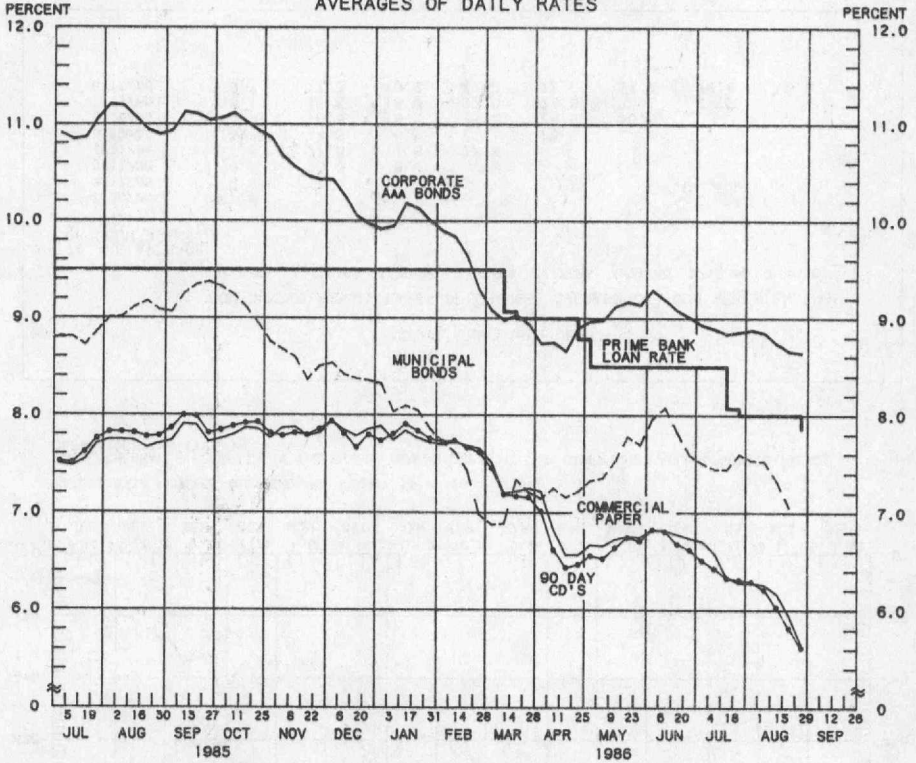
TOTAL CHECKABLE DEPOSITS IS THE SUM OF DEMAND DEPOSITS AND OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS.

TOTAL CHECKABLE DEPOSITS								
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
TO THE AVERAGE OF FOUR WEEKS ENDING:	8/19/85	11/18/85	1/20/86	2/17/86	3/17/86	4/21/86	5/19/86	6/18/86
1/20/86	11.6							
2/17/86	9.6	7.9						
3/17/86	10.9	10.5	8.8					
4/21/86	11.6	11.8	11.6	17.6				
5/19/86	13.6	14.8	16.2	22.1	23.2			
6/18/86	14.9	16.5	18.5	23.5	24.8	30.6		
7/21/86	15.1	16.6	18.2	22.0	22.6	25.1	21.9	
8/18/86	15.7	17.3	18.9	22.2	22.7	24.7	22.4	19.8

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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 **
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	6.28	6.17	8.86	10.17	7.60
AUG. 1	6.29	6.28	6.17	8.88	10.28	7.54
8	6.21	6.26	6.08	8.85	10.29	7.53
15	6.03	6.17	5.94	8.74	10.26	7.33
22	5.82	5.95	5.72	8.66	10.12	7.06
29 *	5.62	5.65	5.49	8.64	10.05	N.A.
SEP. 5						
12						
19						
26						

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

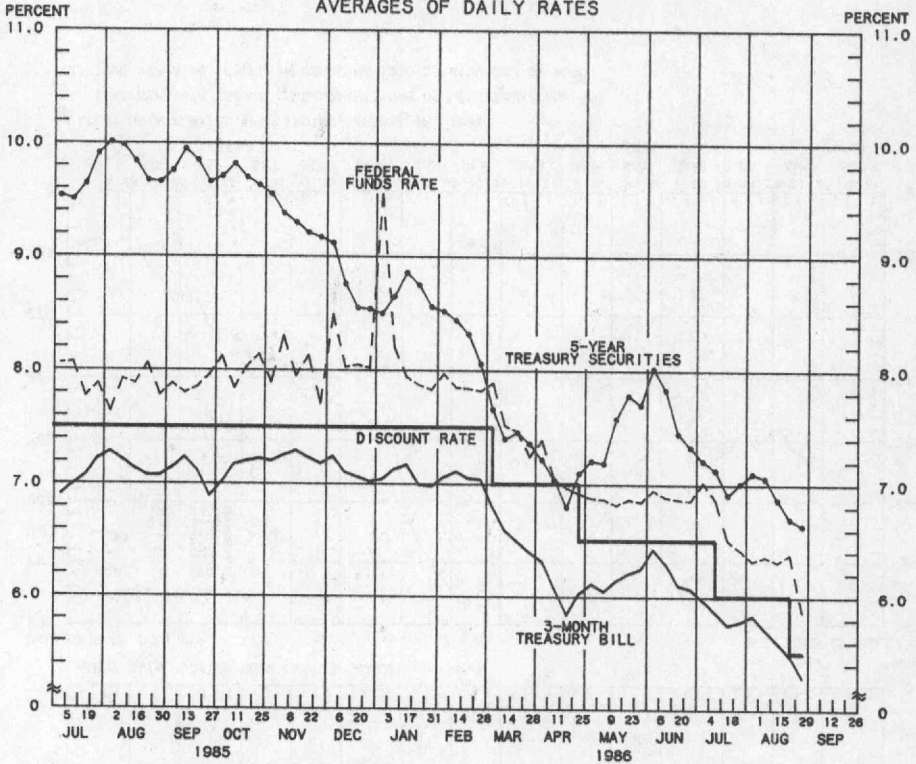
* AVERAGES OF RATES AVAILABLE

** 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



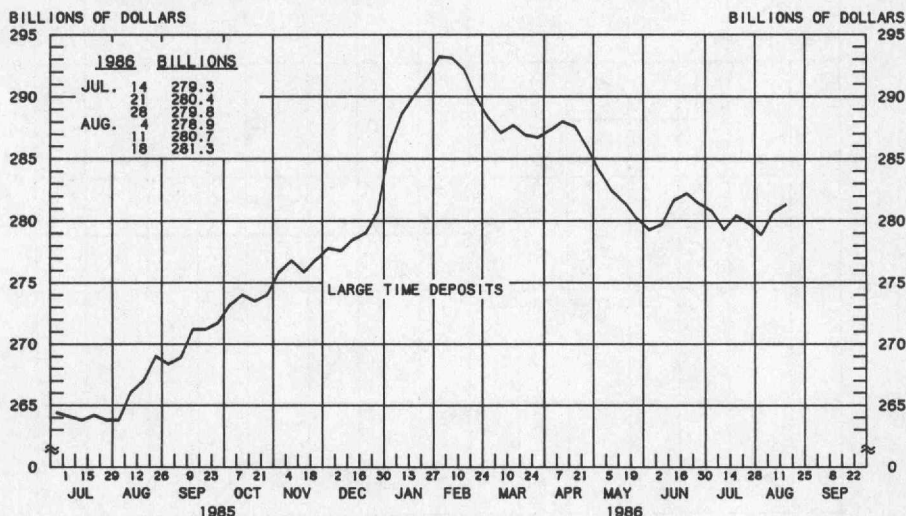
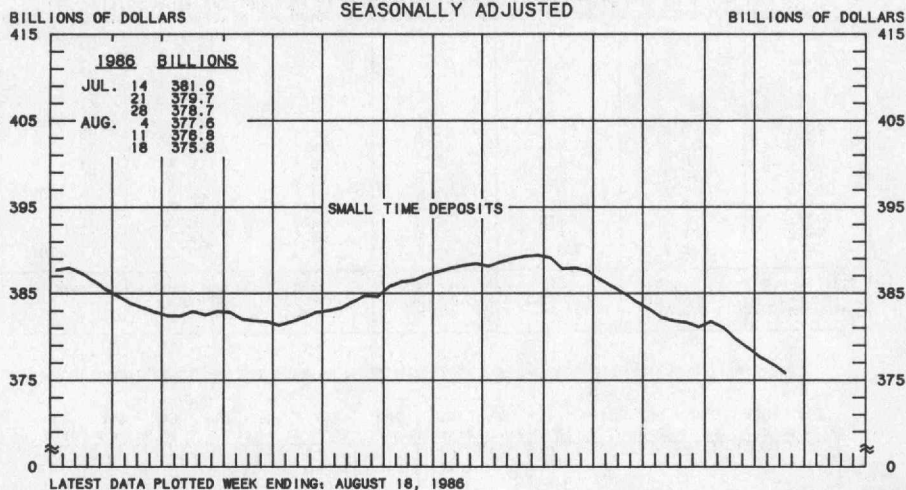
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 29, 1986.

1986		FEDERAL FUNDS ^{***}	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL ^{***}	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	5.78	5.77	5.89	7.01	7.94
AUG.	1	6.32	5.83	5.89	5.91	7.10	8.09
	8	6.36	5.71	5.73	5.81	7.06	8.01
	15	6.31	5.60	5.60	5.67	6.87	7.73
	22	6.38	5.48	5.65	5.52	6.70	7.61
SEP.	29 [*]	5.87	5.29	5.35	5.40	6.64	7.63
	5						
	12						
	19						
	26						

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



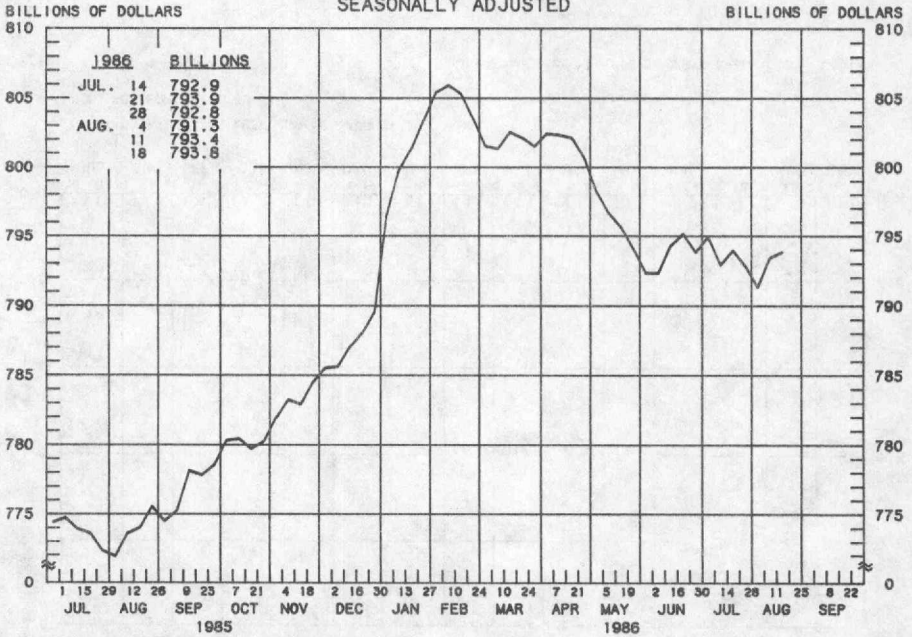
LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 1986

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: AUGUST 18, 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:

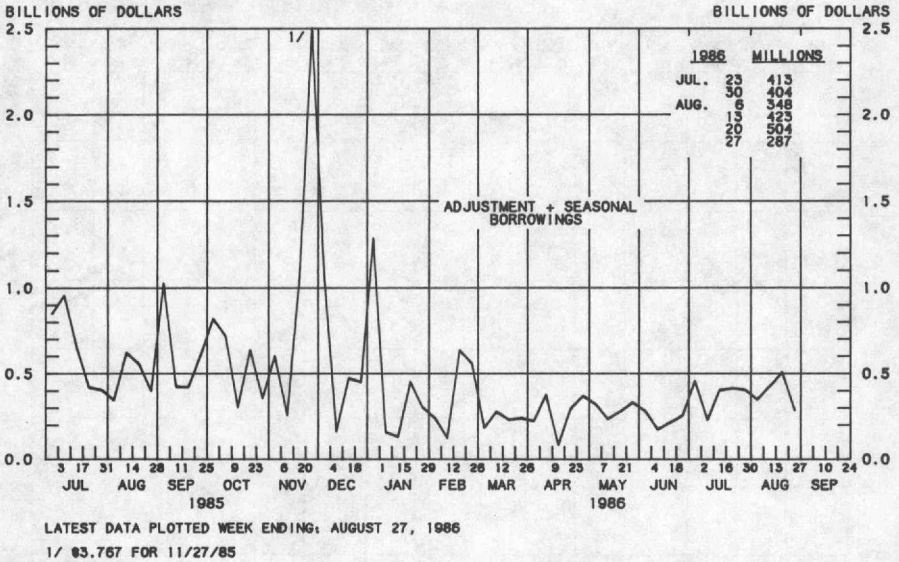
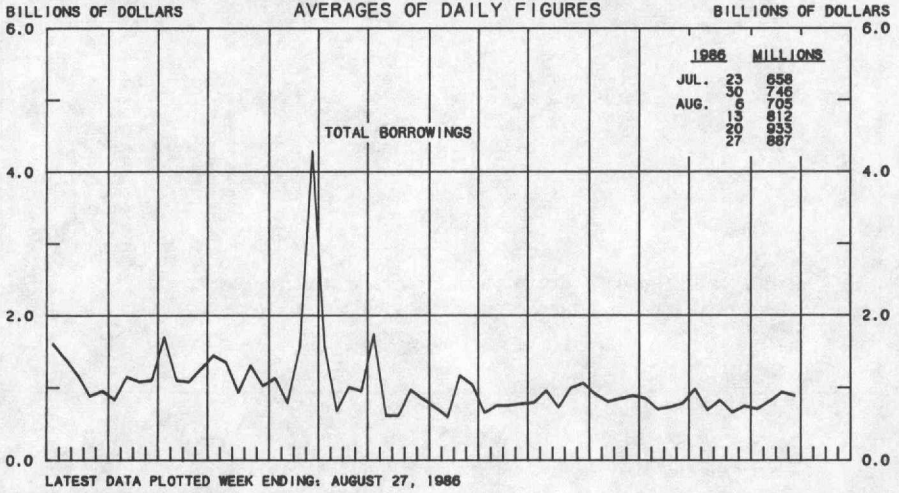
8/19/85 11/18/85 1/20/86 2/17/86 3/17/86 4/21/86 5/19/86 6/16/86

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

1/20/86	7.4							
2/17/86	8.5	12.2						
3/17/86	6.6	8.1	4.5					
4/21/86	5.6	6.2	2.7	-2.1				
5/19/86	4.3	4.1	0.4	-3.5	-3.1			
6/16/86	3.2	2.5	-1.1	-4.4	-4.4	-7.0		
7/21/86	2.9	2.2	-0.7	-3.2	-3.0	-4.0	-2.8	
8/18/86	2.6	1.8	-0.9	-3.0	-2.7	-3.5	-2.5	-0.3

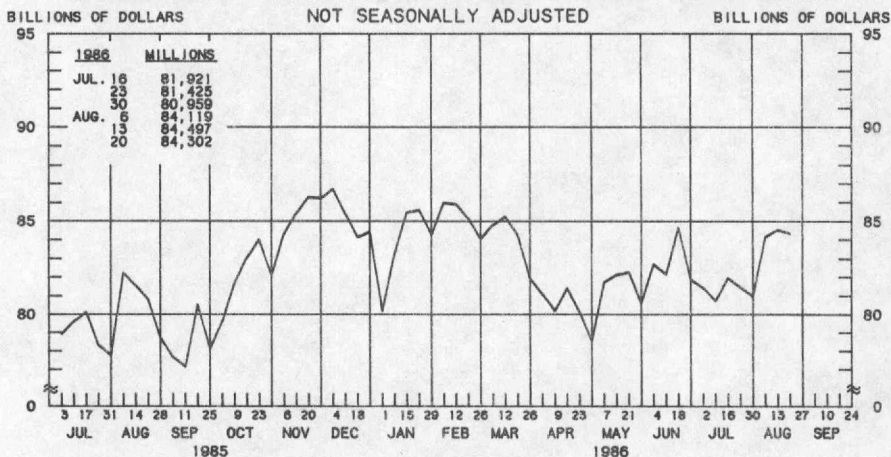
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BORROWINGS FROM FEDERAL RESERVE BANKS

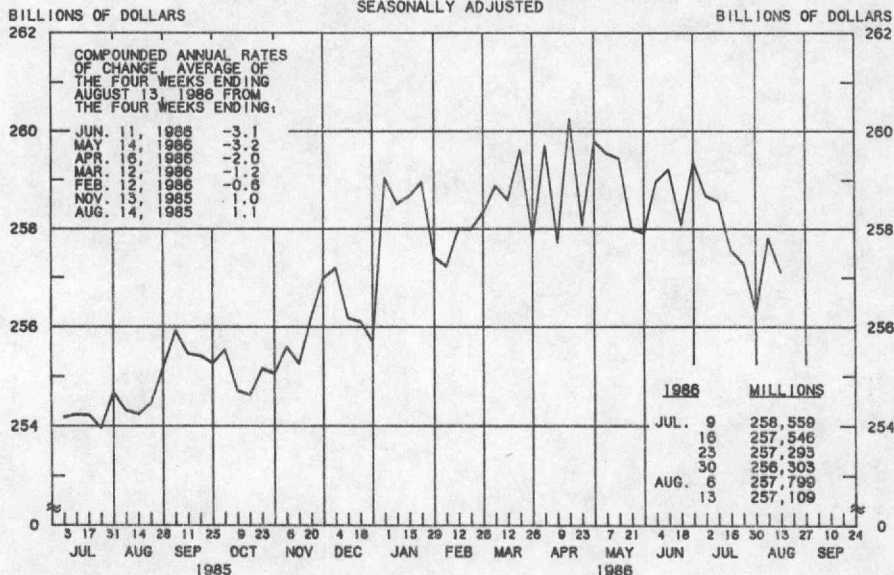


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COMMERCIAL PAPER OF NONFINANCIAL COMPANIES



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



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

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

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