

RESEARCH LIBRARY
Federal Reserve Bank

of St. Louis
U.S. Financial Data

SEP 23 1986

September 18, 1986

The Depository Institutions Act of 1982 called for the authorization of an account for both individuals and nonprofit organizations at depository institutions that would compete directly with money market mutual funds (MMMFs). These accounts were to pay competitive money market rates and offer limited transaction features. The Depository Institutions Deregulation Committee (DIDC), responsible for implementing the provisions of this legislation, complied by introducing money market deposit accounts (MMDAs) in December 1982 and Super-NOW accounts in January 1983. These new accounts, which insure deposits up to \$100,000, initially had minimum balance requirements of \$2,500 until December 31, 1984, and \$1,000 until December 31, 1985.

As the table on the back page shows, growth in MMDA and Super-NOW deposits increased after the initial reduction in minimum balance requirements to \$1,000. This growth came at the expense of MMMFs, which are not insured, and small time deposits, which pay competitive market rates of interest but offer no transaction features. Since minimum balance requirements were eliminated, however, growth in MMDAs and Super-NOWs has declined, while deposits in MMMFs have grown rapidly. This shift suggests that the \$1,000 minimum balance requirement was not a binding constraint on the portfolio decisions of individuals and nonprofit organizations.

—Michael T. Belongia

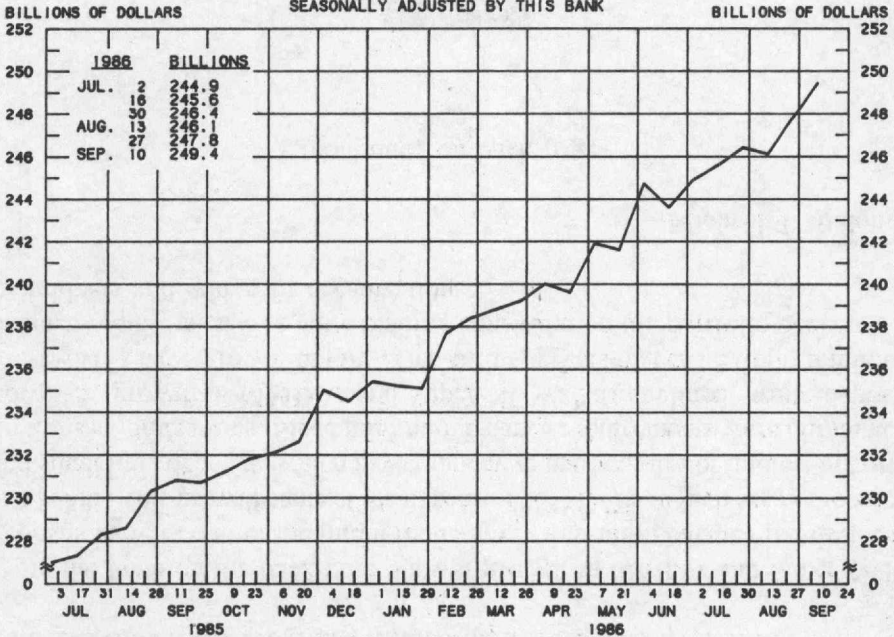
(continued on back page)



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: SEPTEMBER 10, 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: | | | | | | | | | |
| | 9/11/85 | 12/4/85 | 2/12/86 | 3/12/86 | 4/9/86 | 5/7/86 | 6/4/86 | 7/16/86 | |
| TO THE AVERAGE OF TWO MAINTENANCE PERIODS ENDING: | | | | | | | | | |
| 2/12/86 | | 6.0 | | | | | | | |
| 3/12/86 | | 7.1 | 7.8 | | | | | | |
| 4/9/86 | | 6.9 | 7.3 | 9.1 | | | | | |
| 5/7/86 | | 6.8 | 7.2 | 8.3 | 6.1 | | | | |
| 6/4/86 | | 7.6 | 8.2 | 9.7 | 8.6 | 10.2 | | | |
| 7/16/86 | | 7.6 | 8.1 | 9.1 | 8.3 | 9.1 | 10.1 | | |
| 8/13/86 | | 7.4 | 7.8 | 8.6 | 7.8 | 8.3 | 8.8 | 6.8 | |
| 9/10/86 | | 7.8 | 8.3 | 9.1 | 8.6 | 9.1 | 9.6 | 8.5 | 9.1 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 8, 1986

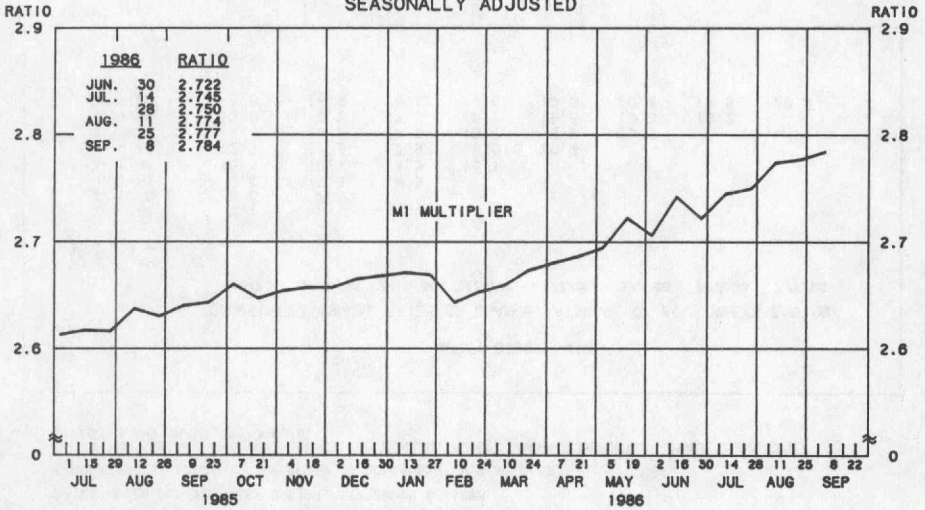
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

M1 IS THE SUM OF CURRENCY HELD BY THE NONBANK PUBLIC, DEMAND DEPOSITS, OTHER CHECKABLE DEPOSITS AND TRAVELERS CHECKS.

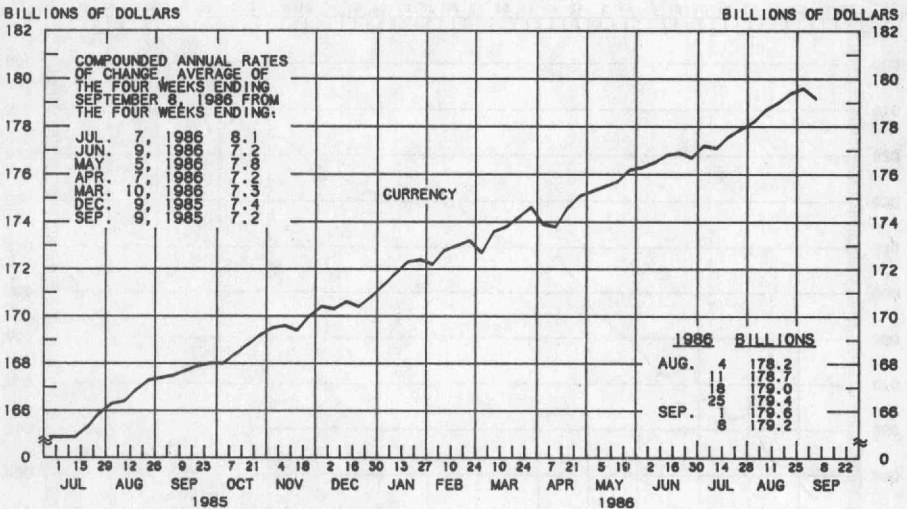
| | | COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
|--------------------------------------|------|--|---------|---------|---------|--------|--------|--------|--------|--|
| | | 9/9/85 | 12/9/85 | 2/10/86 | 3/10/86 | 4/7/86 | 5/5/86 | 6/9/86 | 7/7/86 | |
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | | | |
| 2/10/86 | 8.1 | | | | | | | | | |
| 3/10/86 | 8.8 | 7.1 | | | | | | | | |
| 4/7/86 | 9.8 | 9.3 | 14.6 | | | | | | | |
| 5/5/86 | 10.3 | 10.1 | 14.3 | 15.1 | | | | | | |
| 6/9/86 | 12.3 | 13.2 | 17.9 | 19.5 | 20.9 | | | | | |
| 7/7/86 | 12.4 | 13.2 | 17.0 | 18.1 | 18.6 | 20.8 | | | | |
| 8/11/86 | 13.0 | 13.9 | 17.3 | 18.1 | 18.5 | 19.9 | 18.2 | | | |
| 9/8/86 | 13.8 | 14.9 | 18.1 | 19.0 | 19.5 | 20.8 | 18.5 | 20.8 | | |

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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: SEPTEMBER 8, 1986



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 8, 1986

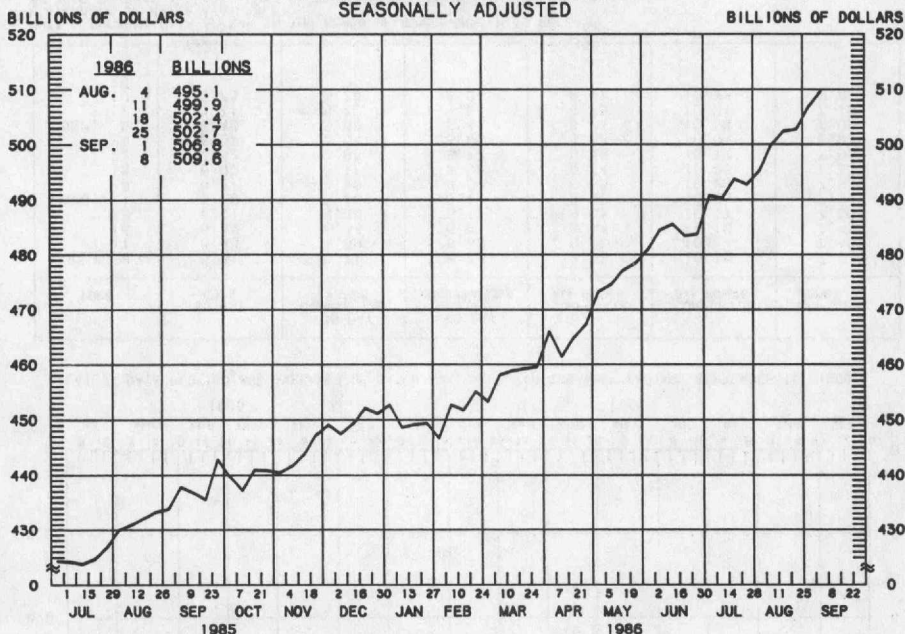
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

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: SEPTEMBER 8, 1986

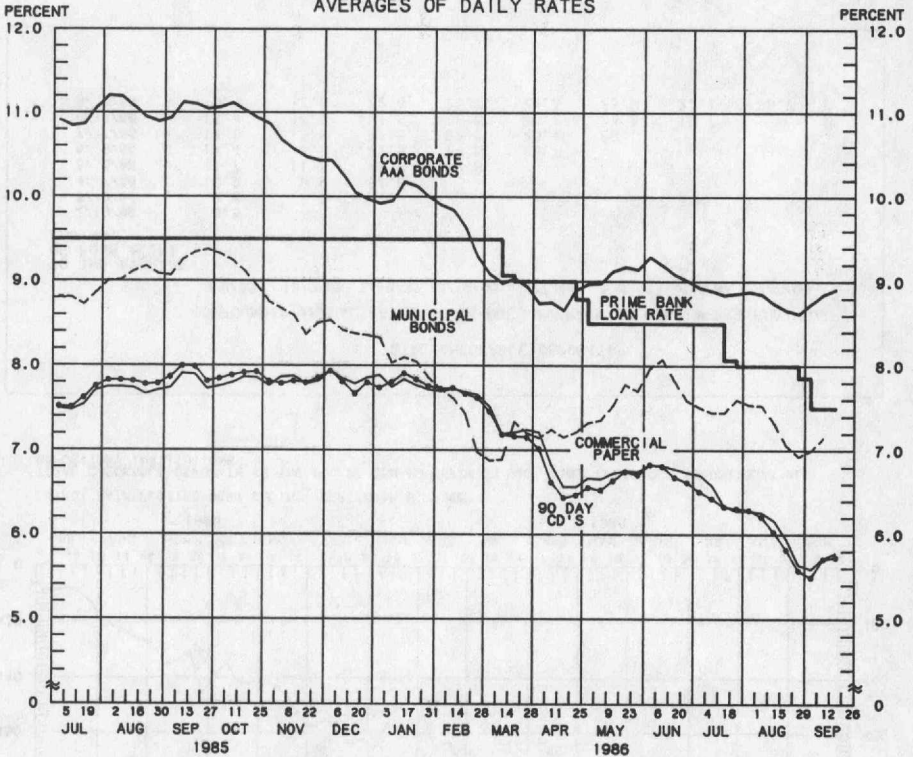
TOTAL CHECKABLE DEPOSITS IS THE SUM OF DEMAND DEPOSITS AND OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS.

| TOTAL CHECKABLE DEPOSITS | | | | | | | | | |
|--|--------|---------|---------|---------|--------|--------|--------|--------|--|
| COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | | |
| | 9/9/85 | 12/9/85 | 2/10/86 | 3/10/86 | 4/7/86 | 5/5/86 | 6/9/86 | 7/7/86 | |
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | | |
| 2/10/86 | 8.5 | | | | | | | | |
| 3/10/86 | 9.6 | 7.0 | | | | | | | |
| 4/7/86 | 10.9 | 9.9 | 17.8 | | | | | | |
| 5/5/86 | 11.7 | 11.3 | 17.8 | 18.8 | | | | | |
| 6/9/86 | 14.4 | 15.5 | 22.5 | 24.6 | 26.7 | | | | |
| 7/7/86 | 14.5 | 15.6 | 21.3 | 22.6 | 23.4 | 26.1 | | | |
| 8/11/86 | 15.4 | 16.5 | 21.5 | 22.6 | 23.2 | 24.8 | 19.7 | | |
| 9/8/86 | 16.4 | 17.8 | 22.6 | 23.7 | 24.3 | 25.9 | 22.7 | 25.7 | |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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 |
| AUG. 25 | 6.31 | 6.28 | 6.17 | 8.86 | 10.17 | 7.60 |
| 1 | 6.29 | 6.28 | 6.17 | 8.88 | 10.28 | 7.54 |
| 8 | 6.21 | 6.28 | 6.08 | 8.95 | 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 | 5.57 | 5.64 | 5.46 | 8.62 | 10.04 | 6.93 |
| SEP. 5 | 5.49 | 5.59 | 5.43 | 8.74 | 10.08 | 7.00 |
| 12 | 5.71 | 5.72 | 5.64 | 8.85 | 10.21 | 7.15 |
| 19 [*] | 5.73 | 5.78 | 5.61 | 8.91 | 10.24 | N.A. |
| 26 | | | | | | |

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

^{*} AVERAGES OF RATES AVAILABLE

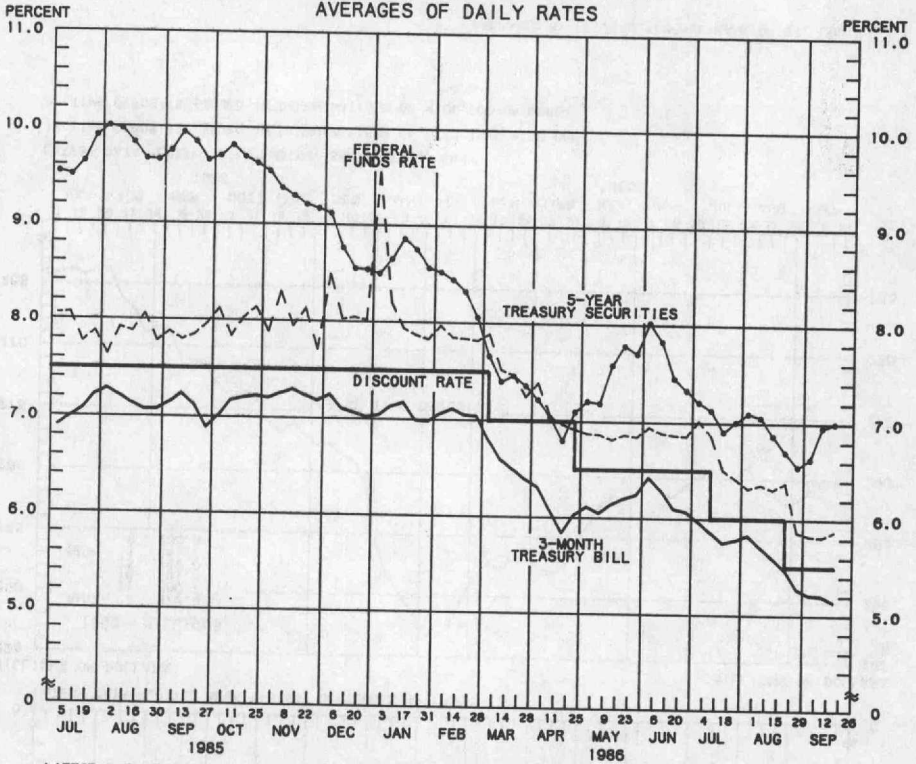
^{**} BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA

N.A. - NOT AVAILABLE

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SELECTED INTEREST RATES

AVERAGES OF DAILY RATES

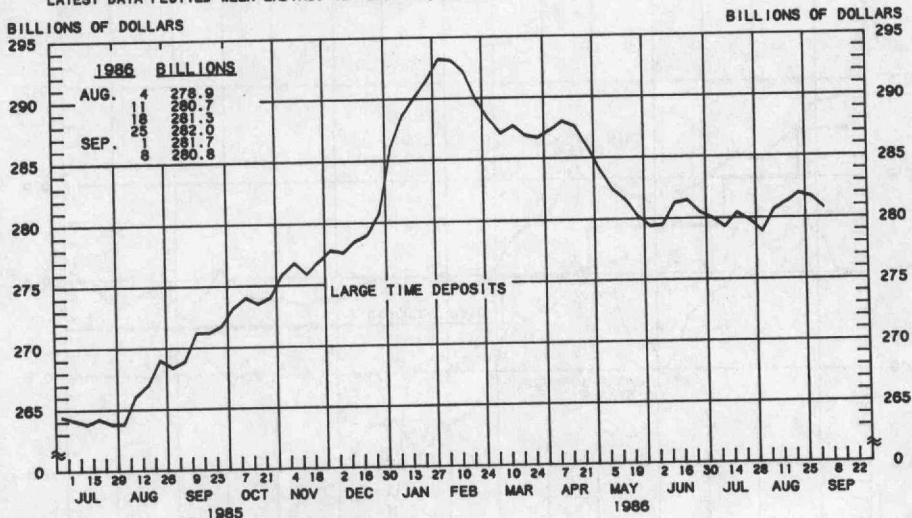
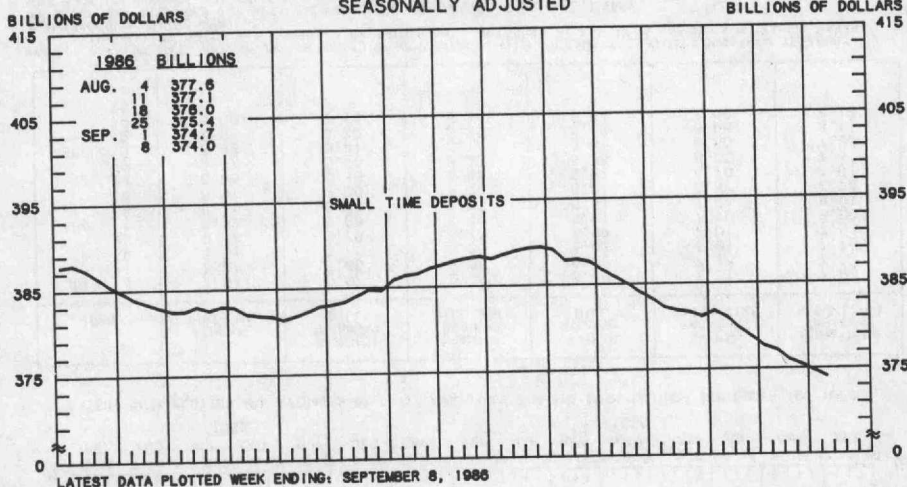


| 1986 | FEDERAL FUNDS <small>***</small> | 3-MONTH TREASURY BILL | 6-MONTH TREASURY BILL <small>***</small> | 1-YEAR TREASURY BILL | 5-YEAR TREASURY SECURITIES | LONG-TERM TREASURY SECURITIES |
|--------------|----------------------------------|-----------------------|--|----------------------|----------------------------|-------------------------------|
| 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 |
| 29 | 5.87 | 5.27 | 5.35 | 5.36 | 6.55 | 7.61 |
| SEP. 5 | 5.83 | 5.21 | 5.17 | 5.35 | 6.63 | 7.80 |
| 12 | 5.82 | 5.20 | 5.35 | 5.46 | 6.96 | 8.11 |
| 19 * 26 * | 5.88 | 5.14 | 5.34 | 5.44 | 7.00 | 8.19 |

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



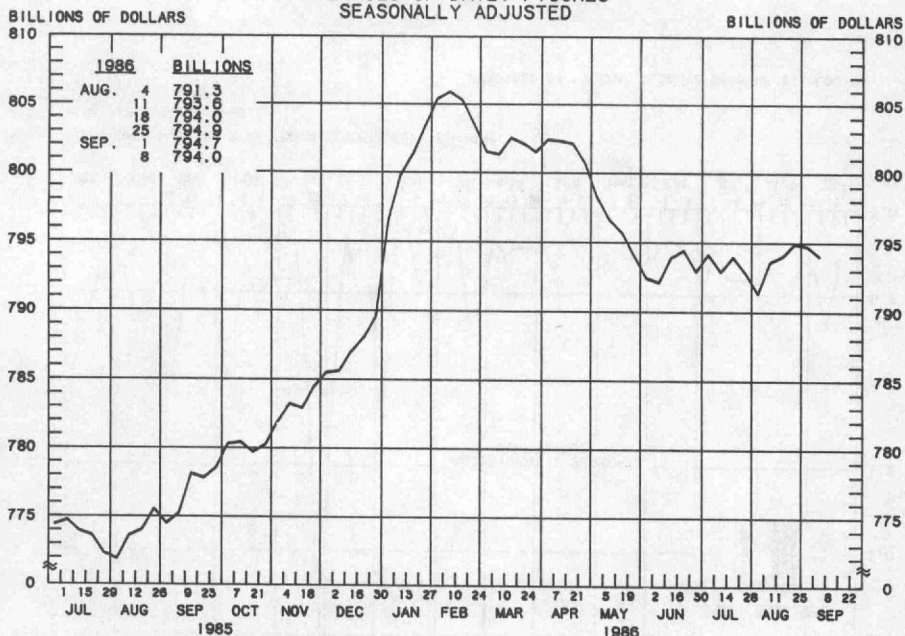
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 8, 1986

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: SEPTEMBER 8, 1986

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

TOTAL TIME DEPOSITS

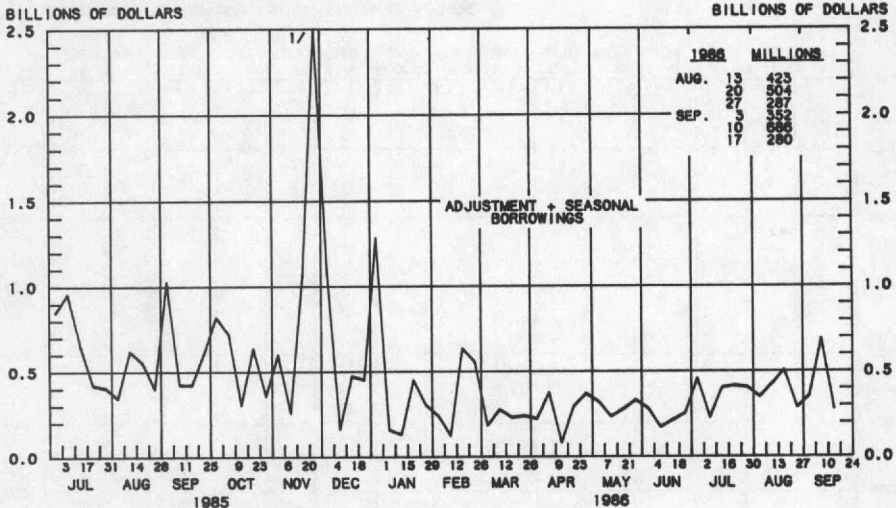
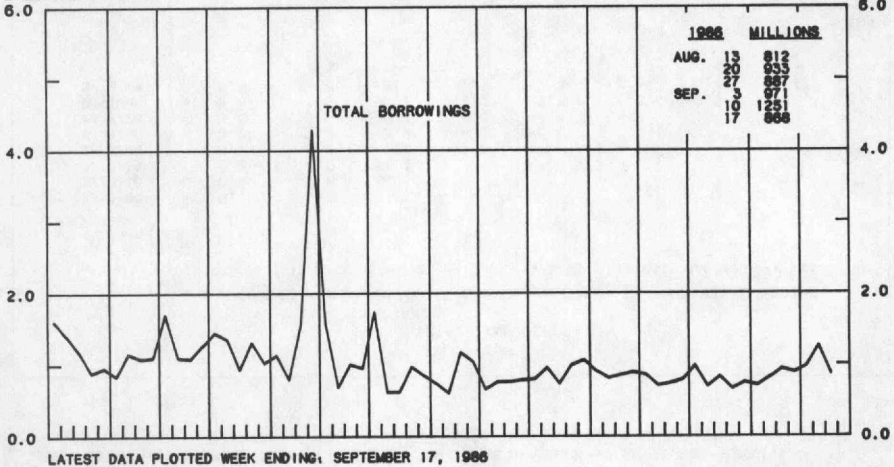
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

| TO THE AVERAGE OF FOUR WEEKS ENDING: | 9/9/85 | 12/9/85 | 2/10/86 | 3/10/86 | 4/7/86 | 5/5/86 | 6/9/86 | 7/7/86 |
|--|--------|---------|---------|---------|--------|--------|--------|--------|
| 2/10/86 | 9.1 | | | | | | | |
| 3/10/86 | 7.4 | 9.7 | | | | | | |
| 4/7/86 | 6.2 | 7.0 | -1.5 | | | | | |
| 5/5/86 | 5.2 | 5.2 | -1.7 | -1.7 | | | | |
| 6/9/86 | 3.2 | 2.3 | -3.9 | -4.6 | -6.0 | | | |
| 7/7/86 | 3.0 | 2.0 | -3.1 | -3.4 | -4.1 | -4.9 | | |
| 8/11/86 | 2.5 | 1.6 | -2.7 | -2.9 | -3.3 | -3.6 | -0.5 | |
| 9/8/86 | 2.5 | 1.7 | -2.1 | -2.1 | -2.3 | -2.3 | 0.4 | 0.4 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS

BILLIONS OF DOLLARS AVERAGES OF DAILY FIGURES BILLIONS OF DOLLARS

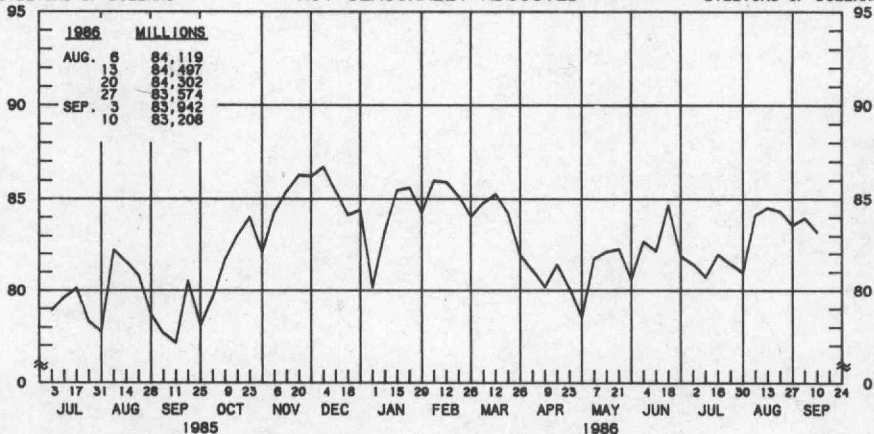


1/ 85.767 FOR 11/27/85

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

COMMERCIAL PAPER OF NONFINANCIAL COMPANIES

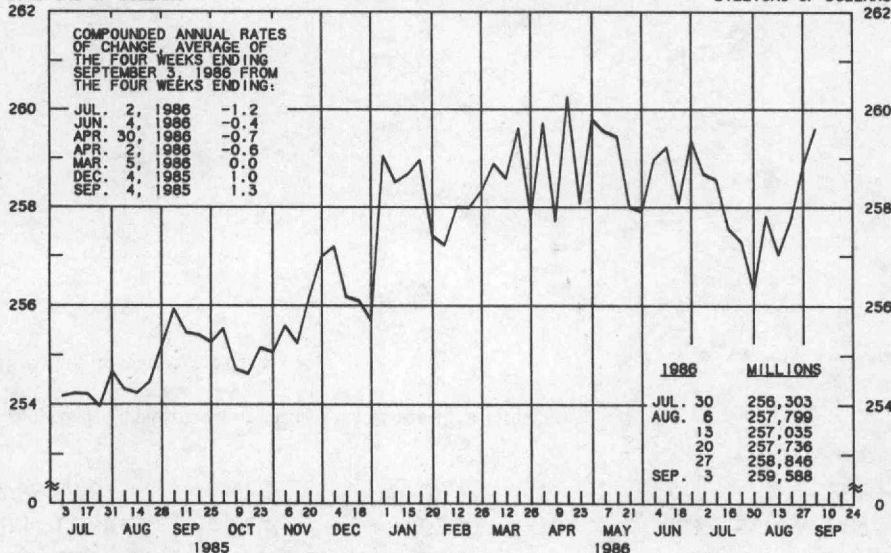
BILLIONS OF DOLLARS NOT SEASONALLY ADJUSTED BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 10, 1986

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

BILLIONS OF DOLLARS BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 3, 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

Growth Rates of Selected Assets at All Depository Institutions¹

| Period | MMDAs | Super-NOWs | Small time deposits | Total MMMFs |
|-------------|-------|-------------------|------------------------|----------------|
| 12/83-12/84 | 10.0% | 21.5% | 13.2% | 26.9% |
| 12/84-12/85 | 22.8 | 32.3 | -0.7 | 4.7 |
| 12/85-8/86 | 12.3 | 28.8 ² | -0.7 | 25.8 |

¹ Compounded annual rates of change, not seasonally adjusted

² 1986 data only through March