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Federal Reserve Bank

of St. Louis

# U.S. Financial Data

OCT 06 1986

October 2, 1986

The growth of M1 has fluctuated substantially over the past year. In general, changes in M1 growth are associated with corresponding changes in the growth of the adjusted monetary base. Over the past year, however, this has not been true. Instead, changes in the growth rate of the money multiplier (the ratio of M1 to the adjusted monetary base) have exerted a significant influence on M1 growth movements over this period. For example, as the table on the back page illustrates, M1 grew at a 7.7 percent annual rate during the period from early December of last year through early March of this year, down from its 10.1 percent growth rate over the previous three months; M1 growth then accelerated to nearly 20 percent from early March to the middle of June, before slowing somewhat in recent months. The pattern of changes in M1 growth mirrors the changes in the growth of the money multiplier over the same periods. In contrast, the growth rate of the adjusted monetary base increased fairly steadily from early September of last year to the middle of June of this year; only over the past three months has there been a slowing in its growth rate.

—Courtenay C. Stone

(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 24, 1986

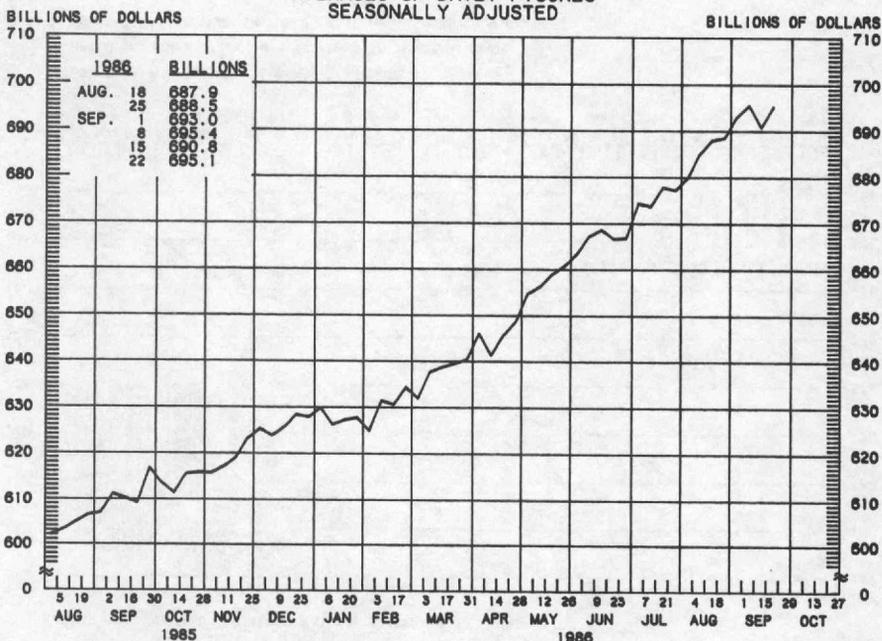
THE ADJUSTED MONETARY BASE IS THE SUM OF RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS) AND AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED 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:								
	9/25/85	12/18/85	2/28/86	3/26/86	4/23/86	5/21/86	6/18/86	7/30/86
TO THE AVERAGE OF TWO MAINTENANCE PERIODS ENDING:								
2/26/86	7.6							
3/26/86	7.2	6.8						
4/23/86	6.9	6.3	4.7					
5/21/86	7.4	7.2	6.9	7.9				
6/18/86	8.0	8.2	8.6	9.8	12.5			
7/30/86	7.8	7.9	8.0	8.7	9.9	9.4		
8/27/86	7.6	7.6	7.6	8.1	8.9	8.2	6.1	
9/24/86	7.7	7.7	7.8	8.2	8.9	8.3	6.9	7.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 22, 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.

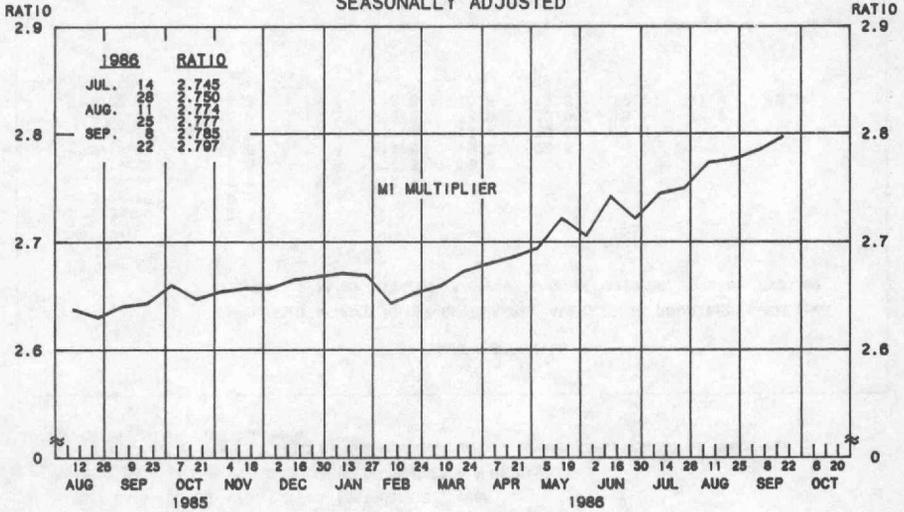
**MONEY STOCK (M1)**

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

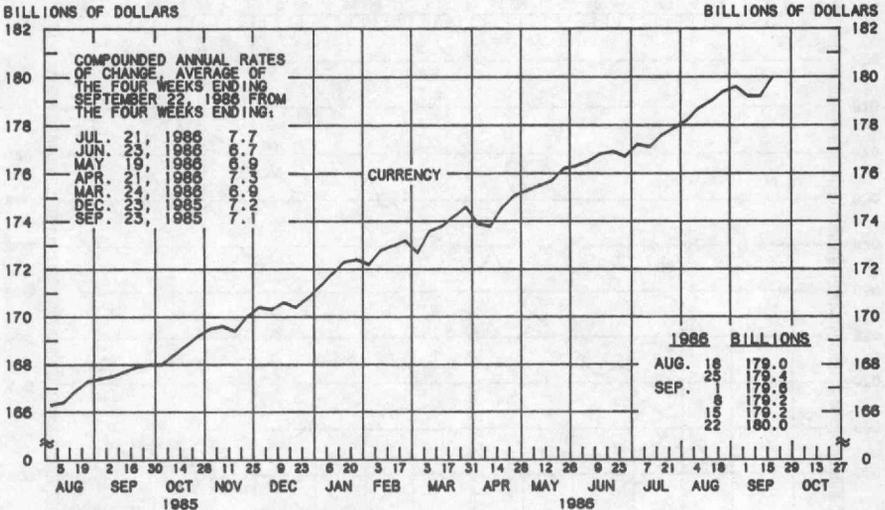
TO THE AVERAGE OF FOUR WEEKS ENDING:	9/23/85	12/23/85	2/24/86	3/24/86	4/21/86	5/19/86	6/23/86	7/21/86
2/24/86		8.3						
3/24/86		9.3	7.4					
4/21/86		9.8	8.9	14.2				
5/19/86		11.6	11.8	17.6	10.4			
6/23/86		12.6	13.4	18.5	19.7	22.5		
7/21/86		12.8	13.5	17.7	18.4	19.9	17.5	
8/25/86		13.6	14.5	18.2	18.9	20.0	18.6	17.6
9/22/86		13.8	14.7	18.0	18.6	19.5	18.2	17.4
								18.9

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**MONEY MULTIPLIER <sup>1/</sup>**  
**CURRENCY COMPONENT OF MONEY STOCK <sup>2/</sup>**  
 AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED TWO WEEKS ENDING: SEPTEMBER 22, 1986



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 22, 1986

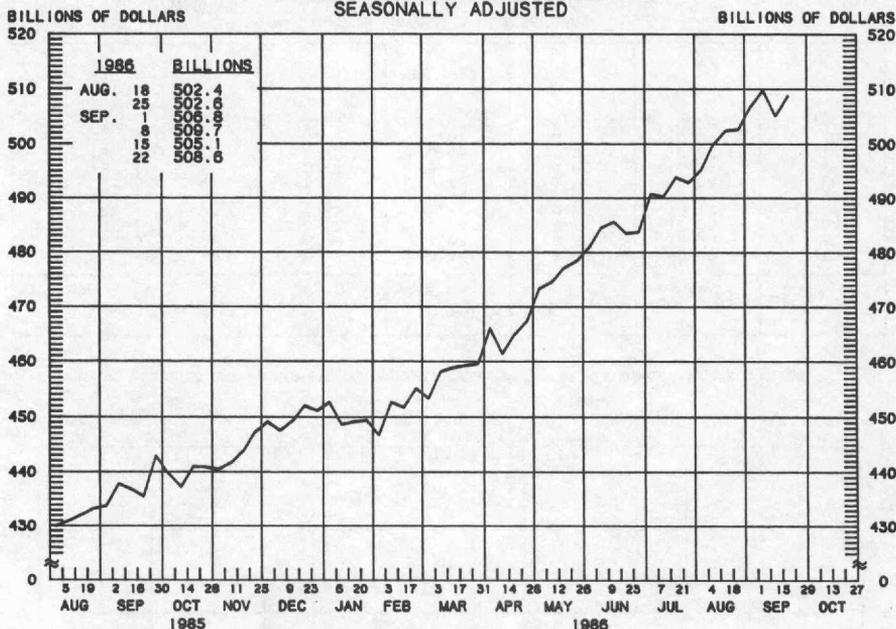
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.8 RELEASE.

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# TOTAL CHECKABLE DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 22, 1986

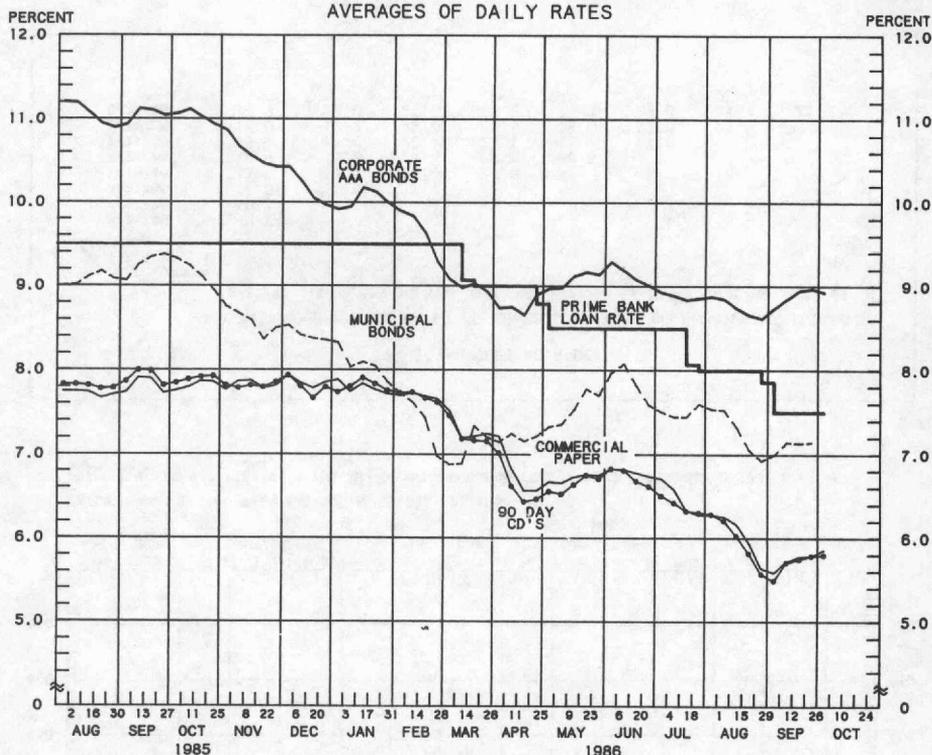
TOTAL CHECKABLE DEPOSITS IS THE SUM OF DEMAND DEPOSITS AND OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS.

TOTAL CHECKABLE DEPOSITS									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	9/23/85	12/23/85	2/24/86	3/24/86	4/21/86	5/19/86	6/23/86	7/21/86	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
2/24/86	8.7								
3/24/86	10.1	7.3							
4/21/86	11.0	9.5	17.6						
5/19/86	13.3	13.6	22.4	24.5					
6/23/86	14.9	15.8	23.4	25.0	28.8				
7/21/86	15.1	16.0	22.2	23.1	25.1	21.9			
8/25/86	16.0	17.2	22.6	23.4	24.9	22.8	21.3		
9/22/86	16.4	17.6	22.5	23.2	24.3	22.5	21.4	23.2	

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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 **
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	5.57	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	5.75	5.78	5.66	8.95	10.24	7.14
26	5.79	5.79	5.68	8.97	10.24	7.15
OCT. 3 *	5.80	5.86	5.68	8.93	10.23	N.A.
10						
17						
24						
31						

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

\* AVERAGES OF RATES AVAILABLE

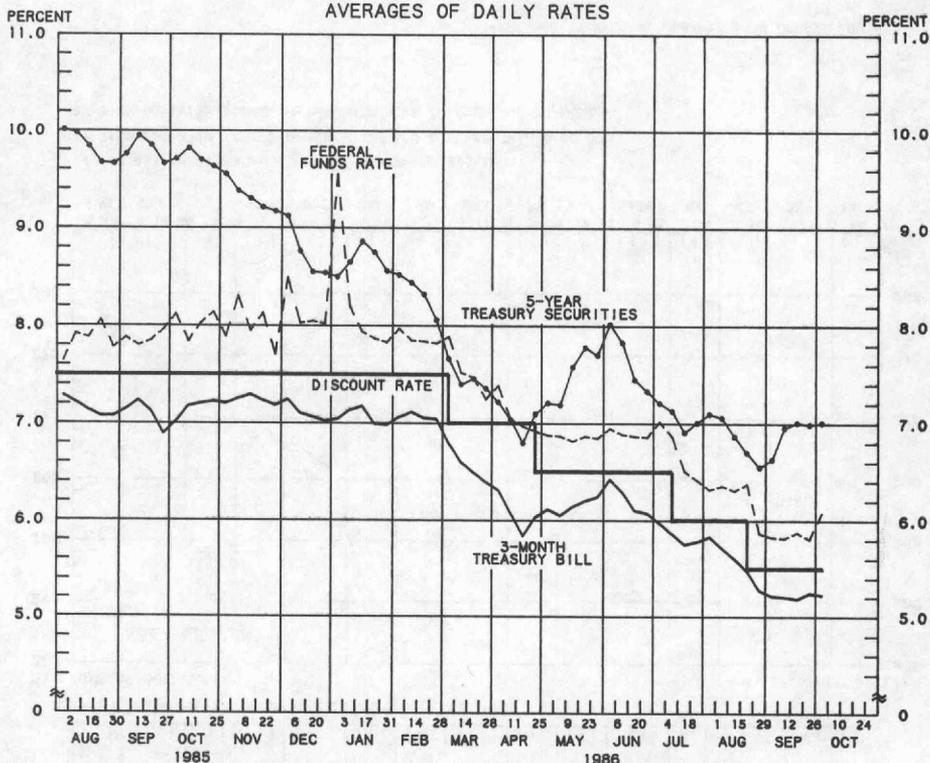
\*\* BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA

N.A. - NOT AVAILABLE

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# SELECTED INTEREST RATES

AVERAGES OF DAILY RATES



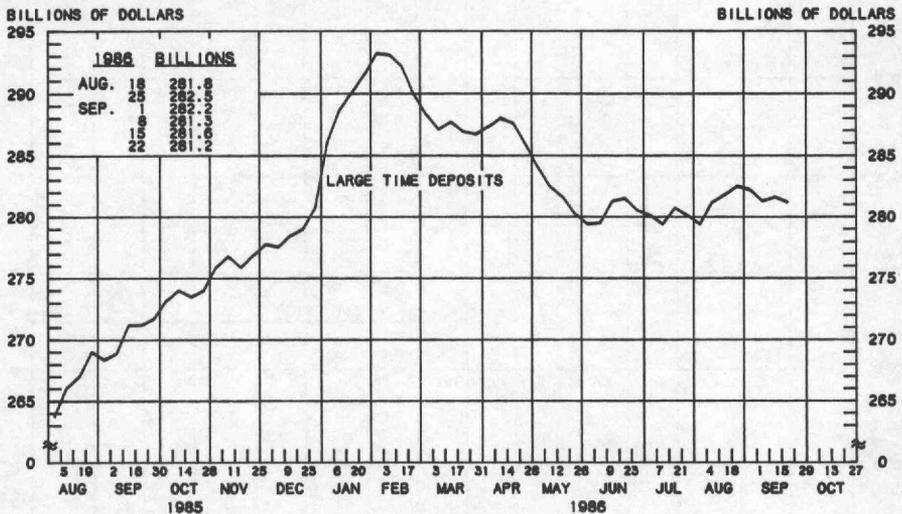
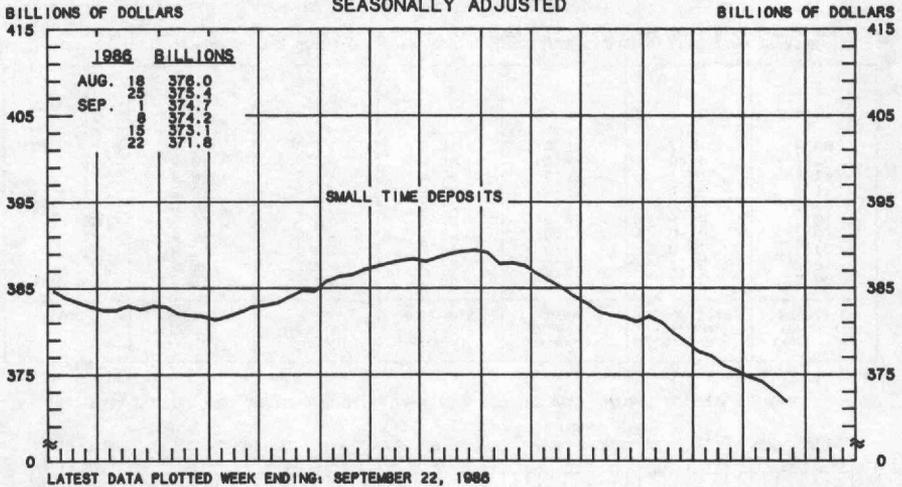
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: OCTOBER 3, 1986.

1986	FEDERAL FUNDS %	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	6.86	8.11
19	5.88	5.18	5.34	5.48	7.01	8.24
26	5.81	5.24	5.39	5.47	6.99	8.20
OCT. 3 *	6.08	5.22	5.37	5.51	7.01	8.09
10						
17						
24						
31						

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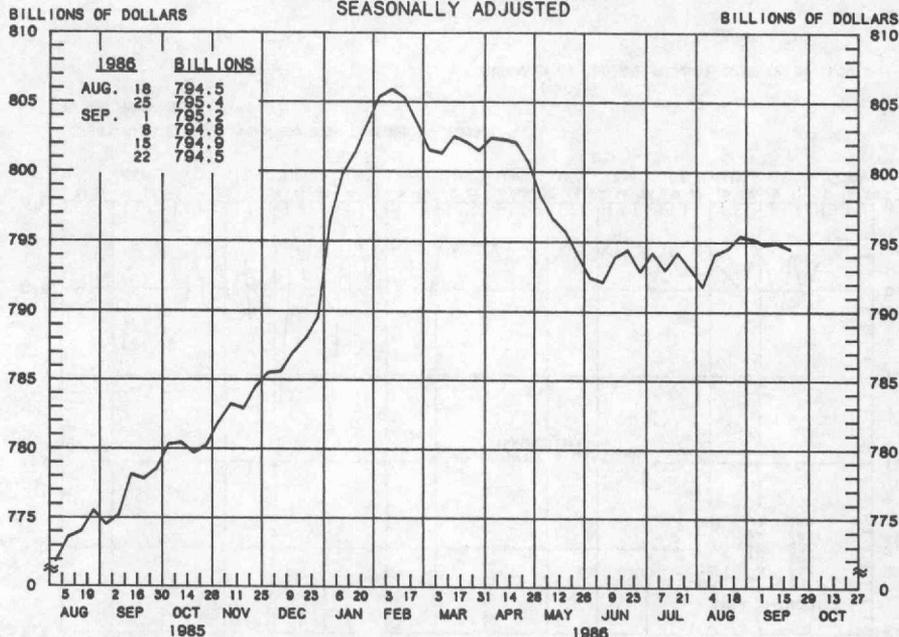
COMMERCIAL BANK  
 SMALL TIME DEPOSITS 1/  
 LARGE TIME DEPOSITS 2/  
 AVERAGES OF DAILY FIGURES  
 SEASONALLY ADJUSTED



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



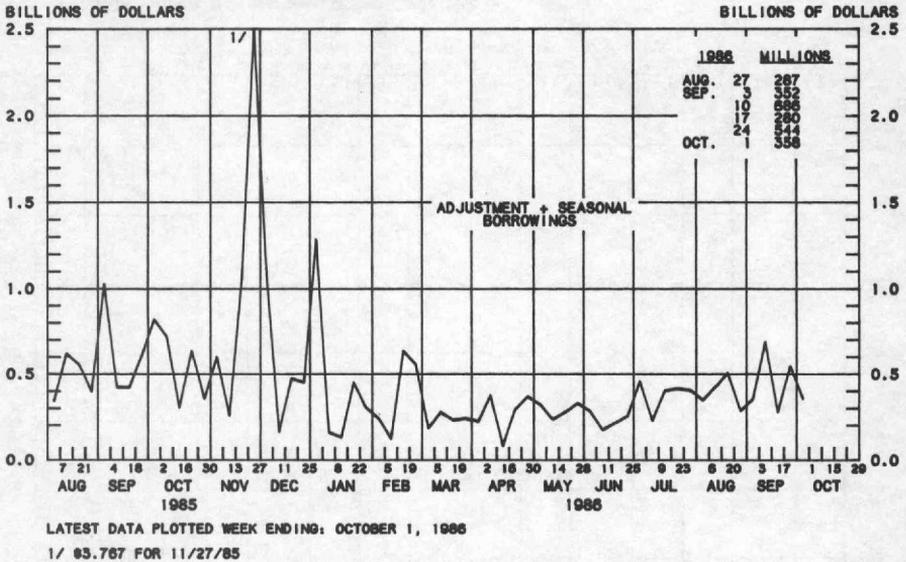
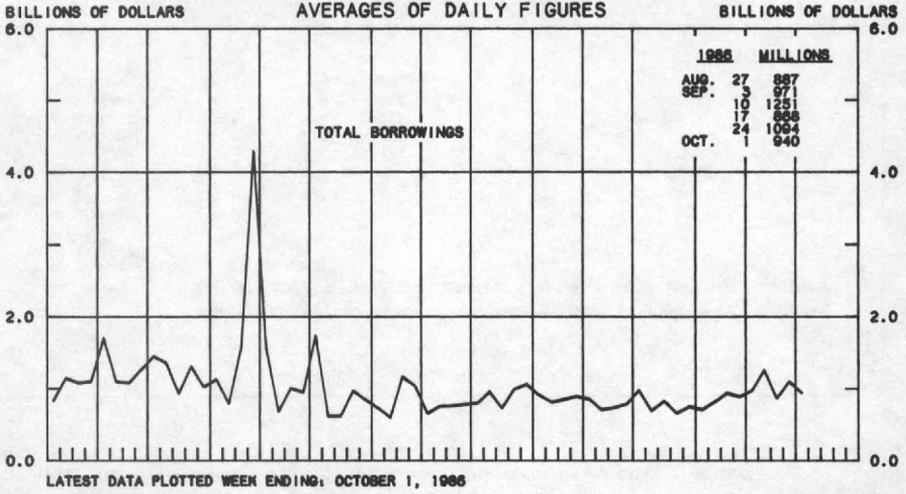
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 22, 1986

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:								
	9/23/85	12/23/85	2/24/86	3/24/86	4/21/86	5/19/86	6/23/86	7/21/86
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/24/86	8.9							
3/24/86	6.7	8.1						
4/21/86	5.8	6.2	-2.3					
5/19/86	4.2	3.6	-3.8	-3.3				
6/23/86	2.9	1.7	-4.4	-4.3	-6.2			
7/21/86	2.7	1.6	-3.5	-3.1	-4.2	-3.0		
8/25/86	2.5	1.4	-2.7	-2.3	-2.9	-1.8	0.6	
9/22/86	2.4	1.4	-2.2	-1.7	-2.1	-1.0	0.9	1.0

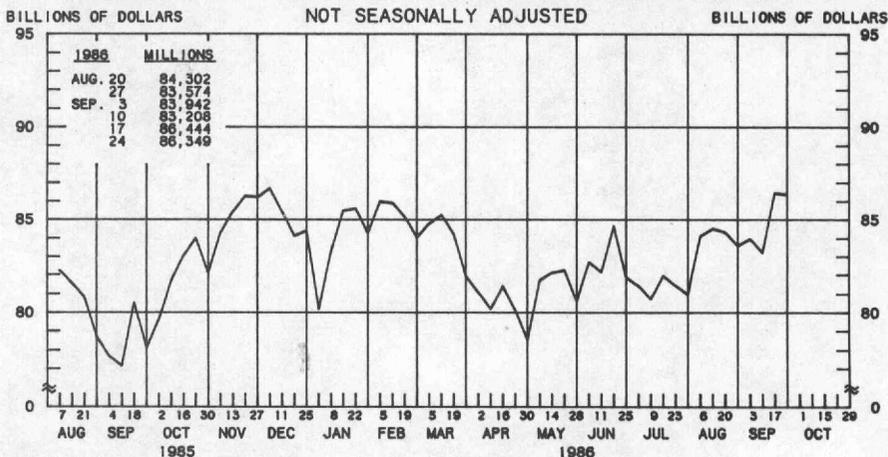
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### BORROWINGS FROM FEDERAL RESERVE BANKS

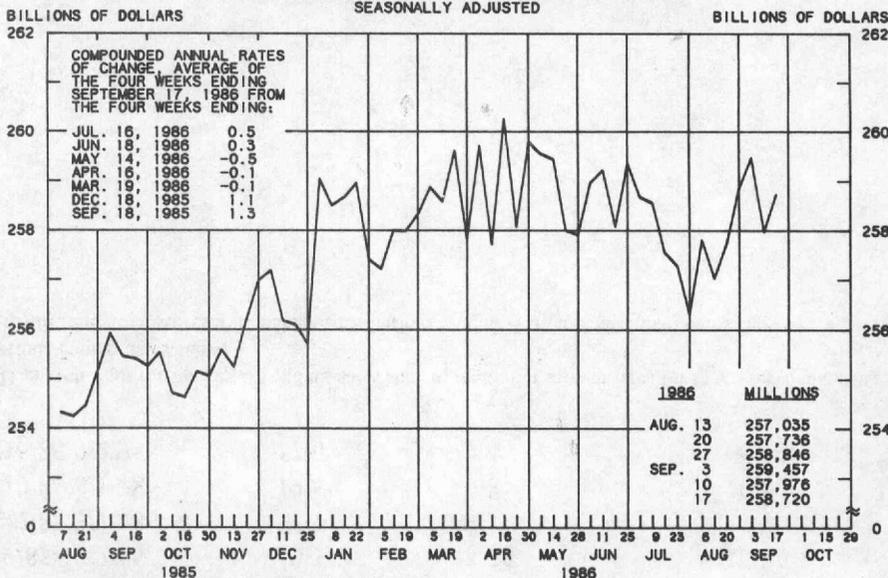


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## COMMERCIAL PAPER OF NONFINANCIAL COMPANIES



## BUSINESS LOANS<sup>1/</sup> (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS<sup>2/</sup> SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 17, 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 M1, Money Multiplier and  
Adjusted Monetary Base  
(seasonally adjusted compounded annual rates)**

	<b>M1<sup>1</sup></b>	<b>Money multiplier<sup>1</sup></b>	<b>Adjusted monetary base<sup>2</sup></b>
9/9/85-12/2/85	10.1%	3.7%	6.2%
12/2/85-3/10/86	7.7	-0.1	7.8
3/10/86-6/16/86	19.6	9.8	9.0
6/16/86-9/22/86	17.0	9.4	6.9

<sup>1</sup>M1 growth rates for four weeks ending dates shown; multiplier growth rates for two reserve maintenance periods ending dates shown

<sup>2</sup>Growth rates for two reserve maintenance periods ending two days later than dates shown