



RESEARCH LIBRARY

Federal Reserve Bank

of St. Louis

U.S. Financial Data

DEC 0 2 1986

November 28, 1986

Over two-thirds of commercial bank business loans are made to creditworthy firms at interest rates below the prime bank loan rate. According to two 1986 Federal Reserve System surveys of the terms of commercial bank lending, more than 93 percent of these are short-term loans, either at fixed or at floating interest rates. As the table on the back page indicates, most (74 percent) are fixed-rate loans with discounts of 75 basis points or more from the prime rate and average maturities of less than three weeks. Floating-rate loans have relatively longer maturities, well over two months on average.

Since floating-rate loans adjust with interest rate changes, floating-rate borrowers may not be as concerned about their initial discount as are fixed-rate borrowers. It is noteworthy that the prime rate declined from 9.50 percent during the February survey to 8.50 percent just before the May survey. Perhaps as a result of this decline and borrowers' strong negotiating position during the weak business loan growth of the first half of 1986, the average discount from the prime rate increased sharply for the fixed-rate loans, while remaining roughly unchanged for floating-rate loans.

—Mack Ott

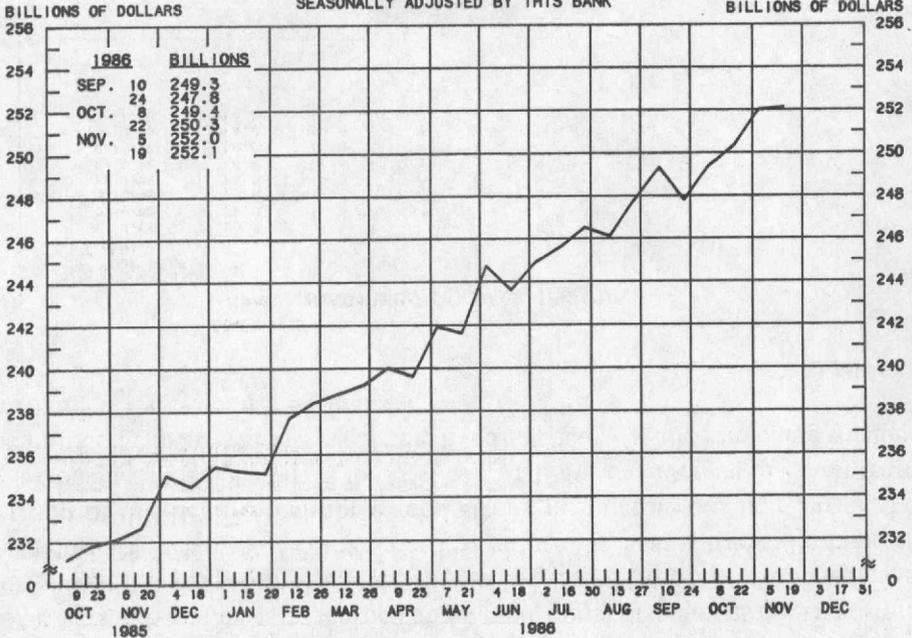
(continued on back page)



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: NOVEMBER 19, 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.

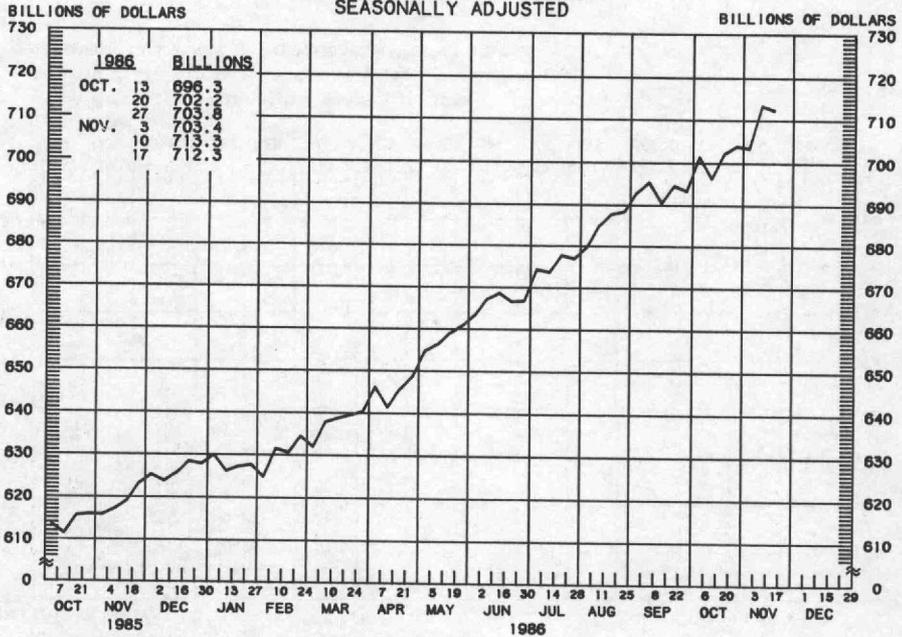
RECENT DATA ARE PRELIMINARY.

ADJUSTED MONETARY BASE COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF TWO MAINTENANCE PERIODS ENDING:

	11/20/85	2/12/86	4/23/86	5/21/86	6/18/86	7/16/86	8/13/86	9/24/86
TO THE AVERAGE OF TWO MAINTENANCE PERIODS ENDING:								
4/23/86		7.7						
5/21/86		8.3	8.8					
6/18/86		9.0	9.8	12.5				
7/16/86		8.6	9.1	10.3	9.8			
8/13/86		8.3	8.6	9.1	8.3	5.7		
9/24/86		8.3	8.5	8.9	8.3	6.9	7.2	
10/22/86		8.2	8.4	8.6	8.1	6.9	7.1	7.8
11/19/86		8.5	8.7	9.1	8.7	7.8	8.2	9.0
								9.5

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 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.

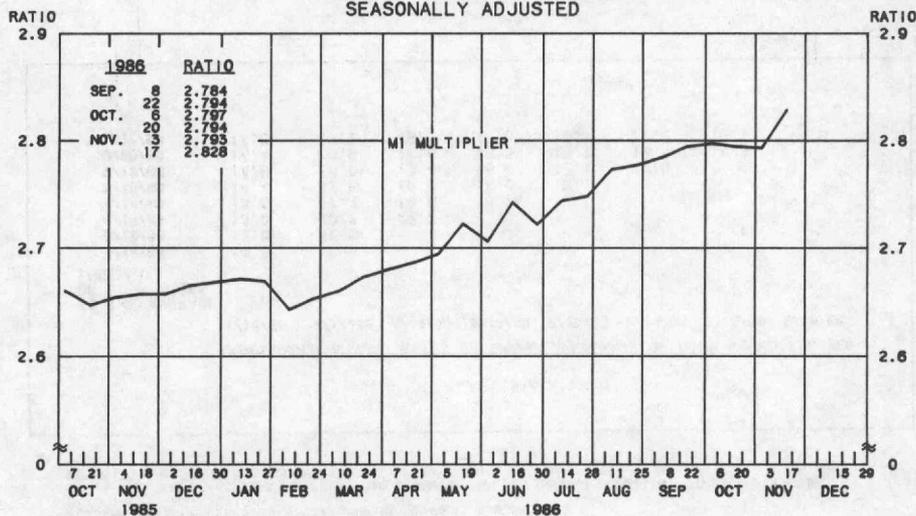
MONEY STOCK (M1)

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

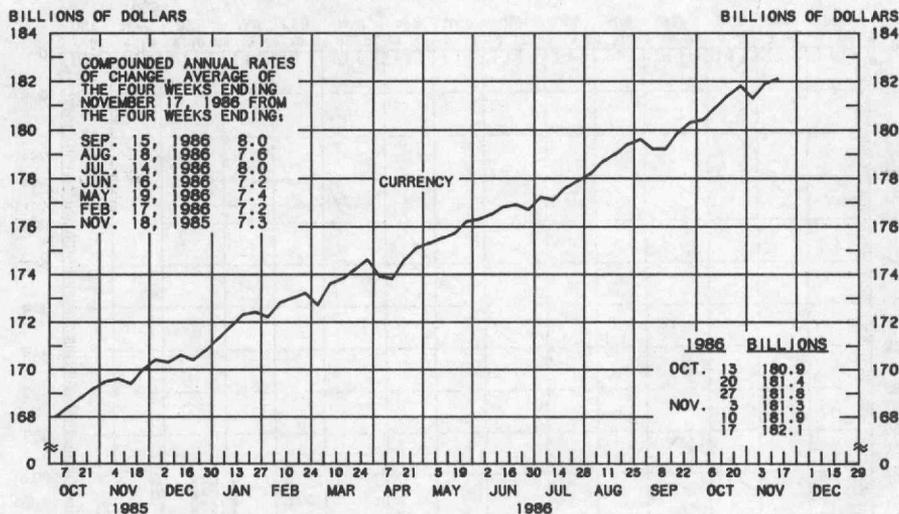
TO THE AVERAGE OF FOUR WEEKS ENDING:	11/18/85	2/17/86	4/14/86	5/19/86	6/16/86	7/14/86	8/18/86	9/15/86	
4/14/86		10.3							
5/19/86		12.6	17.6						
6/16/86		13.9	18.7	22.7					
7/14/86		13.5	17.2	19.0	16.7				
8/18/86		14.4	17.8	19.3	18.0	16.1			
9/15/86		14.8	18.0	19.4	18.4	17.1	19.9		
10/20/86		14.4	16.9	17.6	16.5	15.2	16.4	14.3	
11/17/86		14.8	17.2	18.0	17.0	16.1	17.2	16.1	14.6

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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: NOVEMBER 17, 1986



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 1986

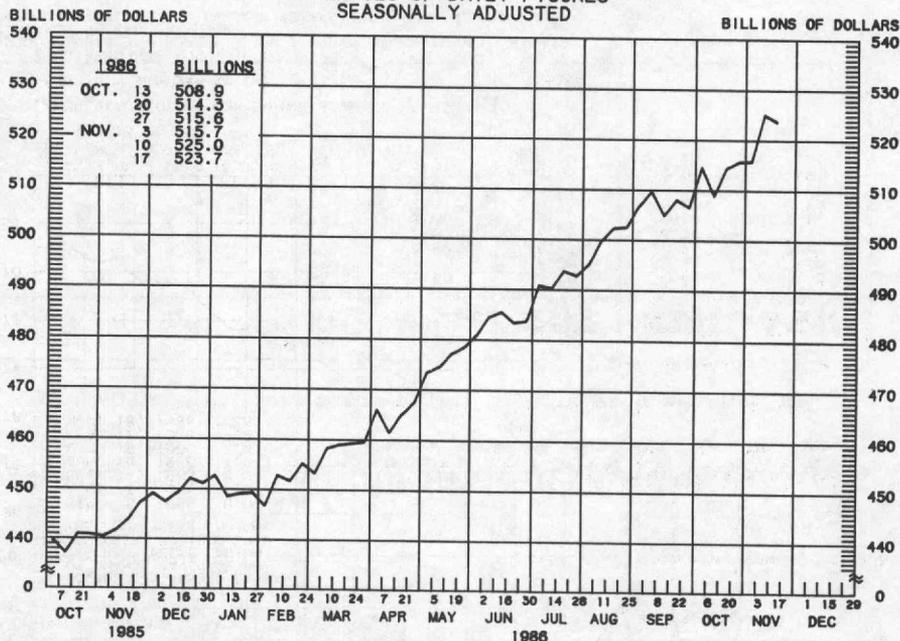
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

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: NOVEMBER 17, 1986

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

TOTAL CHECKABLE DEPOSITS

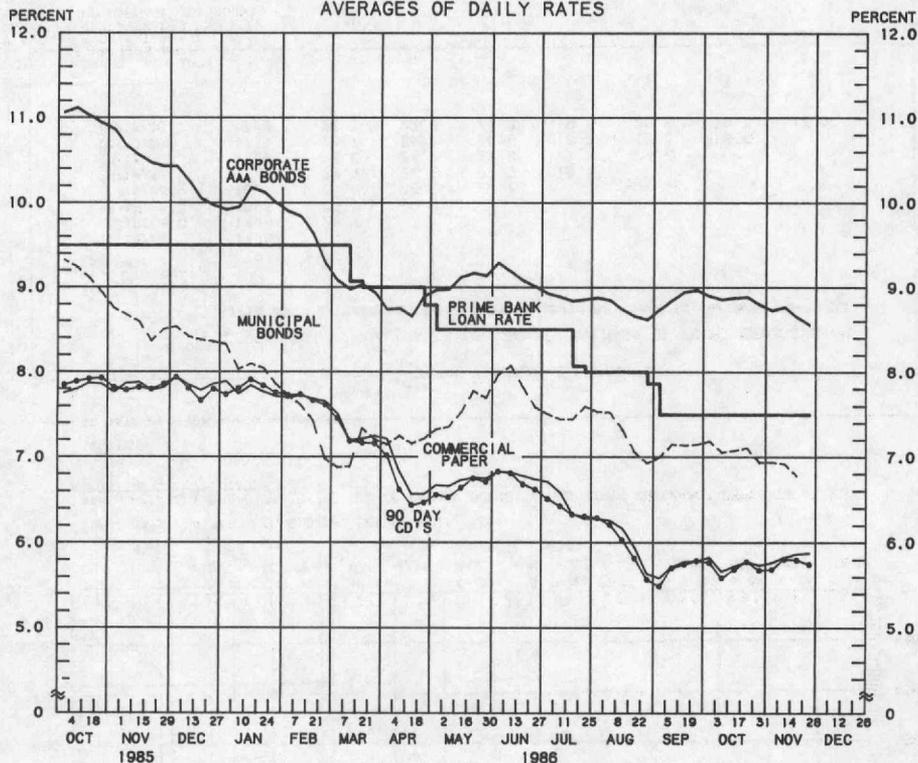
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	11/18/85	2/17/86	4/14/86	5/19/86	6/16/86	7/14/86	8/18/86	9/15/86
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/14/86	11.5							
5/19/86	14.8	22.1						
6/16/86	16.5	23.5	29.0					
7/14/86	16.1	21.5	24.0	20.7				
8/18/86	17.2	22.1	24.2	22.2	19.5			
9/15/86	17.9	22.5	24.2	22.8	21.1	24.6		
10/20/86	17.1	20.7	21.7	20.0	18.2	19.6	16.9	
11/17/86	17.8	21.2	22.2	20.8	19.5	20.9	19.5	17.2

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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 ^{***}
OCT. 3	5.77	5.83	5.66	8.90	10.23	7.19
10	5.59	5.67	5.45	8.86	10.24	7.06
17	5.69	5.73	5.62	8.88	10.25	7.08
24	5.78	5.78	5.69	8.89	10.26	7.11
NOV. 31	5.68	5.74	5.60	8.80	10.19	6.94
7	5.69	5.77	5.61	8.73	10.09	6.94
14	5.81	5.83	5.73	8.77	10.12	6.92
21	5.80	5.87	5.71	8.65	10.04	6.78
DEC. 28 [*]	5.75	5.88	5.71	8.56	9.99	N.A.
5						
12						
19						
26						

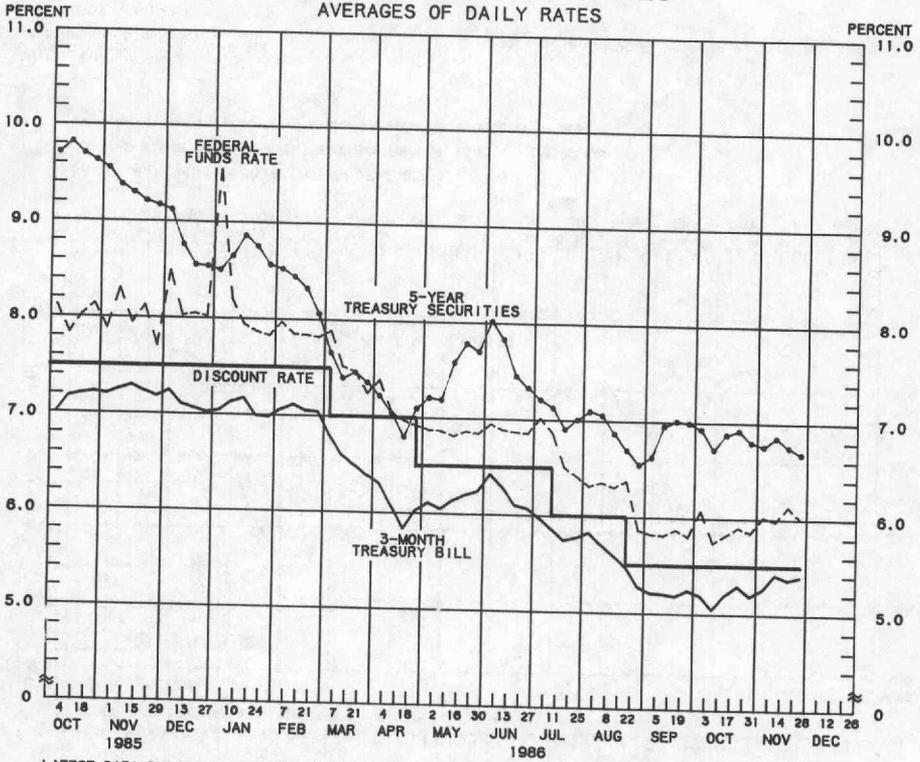
NOTE: CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE.
^{*} AVERAGES OF RATES AVAILABLE
^{**} BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA

N.A. - NOT AVAILABLE

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SELECTED INTEREST RATES

AVERAGES OF DAILY RATES



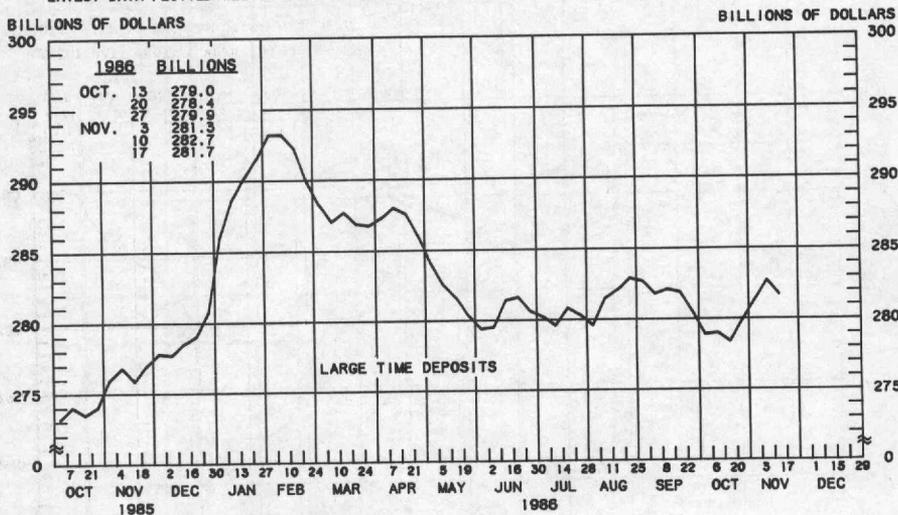
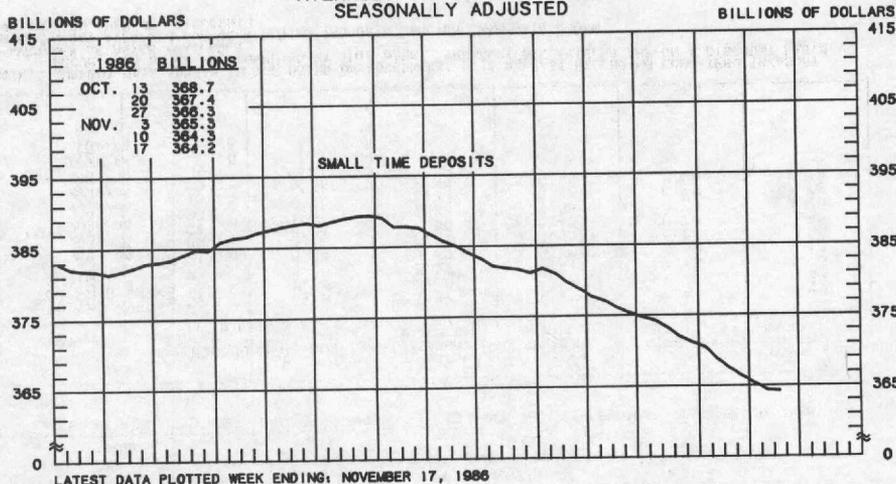
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: NOVEMBER 28, 1986.

1986	FEDERAL FUNDS %	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL %	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
OCT. 3	6.08	5.19	5.37	5.47	6.93	8.05
10	5.75	5.05	5.13	5.27	6.72	7.99
17	5.83	5.20	5.22	5.41	6.88	8.18
24	5.91	5.29	5.39	5.49	6.92	8.16
31	5.86	5.19	5.21	5.43	6.80	7.98
NOV. 7	6.02	5.26	5.30	5.45	6.76	7.88
14	5.98	5.41	5.54	5.56	6.85	7.95
21	6.13	5.36	5.44	5.47	6.75	7.75
28 *	6.00	5.39	5.39	5.45	6.68	7.72
DEC. 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



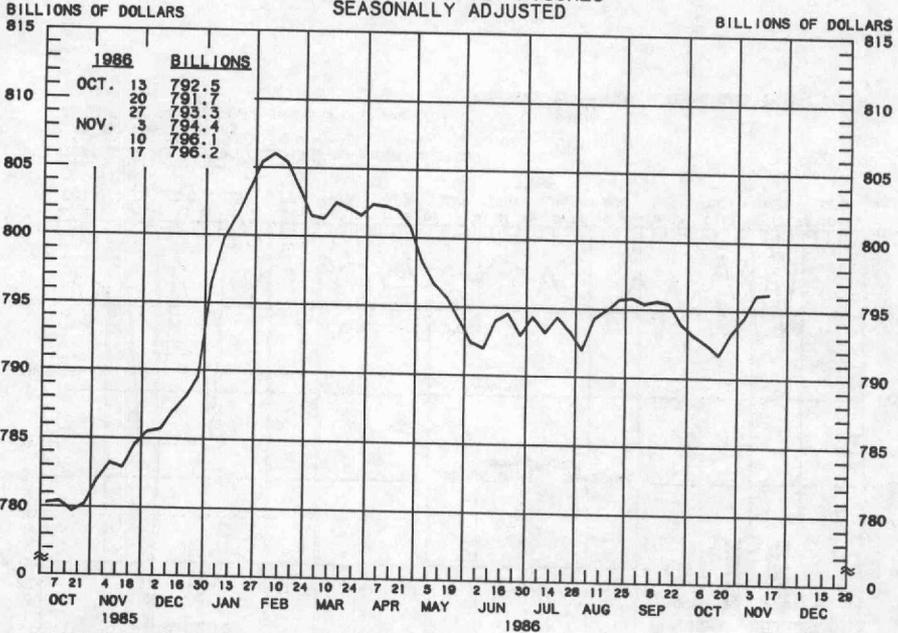
LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 1986

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



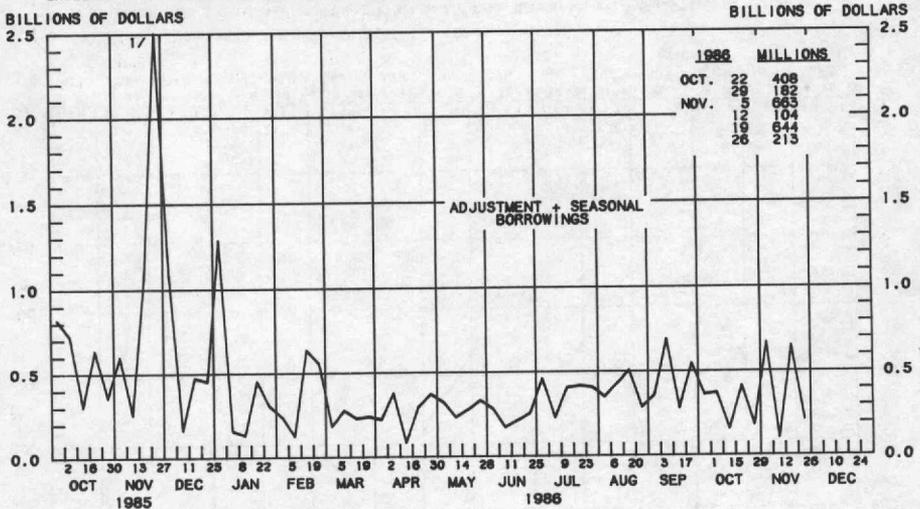
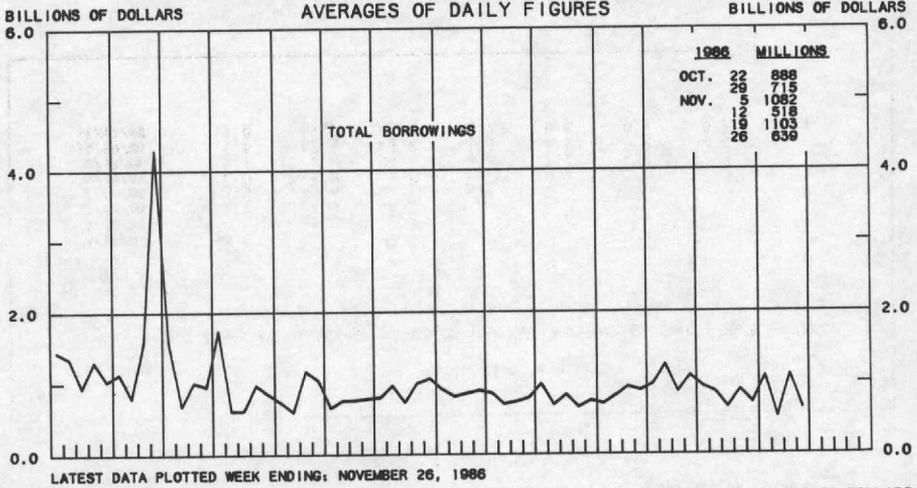
LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 1986

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:									
	11/18/85	2/17/86	4/14/86	5/19/86	6/16/86	7/14/86	8/18/86	9/15/86	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
4/14/86	6.5								
5/19/86	4.1	-3.6							
6/16/86	2.5	-4.5	-6.3						
7/14/86	2.3	-3.4	-4.1	-3.2					
8/18/86	2.0	-2.8	-3.0	-2.1	0.4				
9/15/86	2.1	-2.0	-1.9	-0.8	1.3	1.3			
10/20/86	1.5	-2.3	-2.2	-1.5	-0.1	-0.5	-0.6		
11/17/86	1.6	-1.7	-1.5	-0.7	0.6	0.4	0.7	-0.4	

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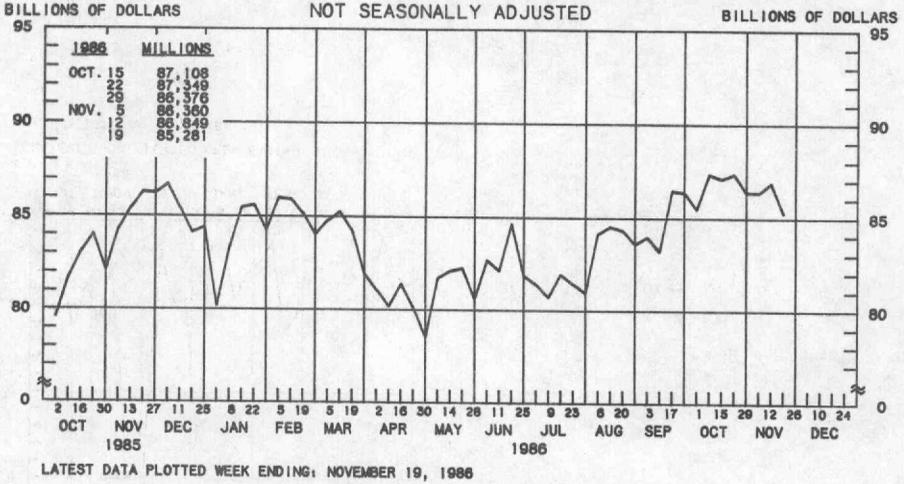
BORROWINGS FROM FEDERAL RESERVE BANKS



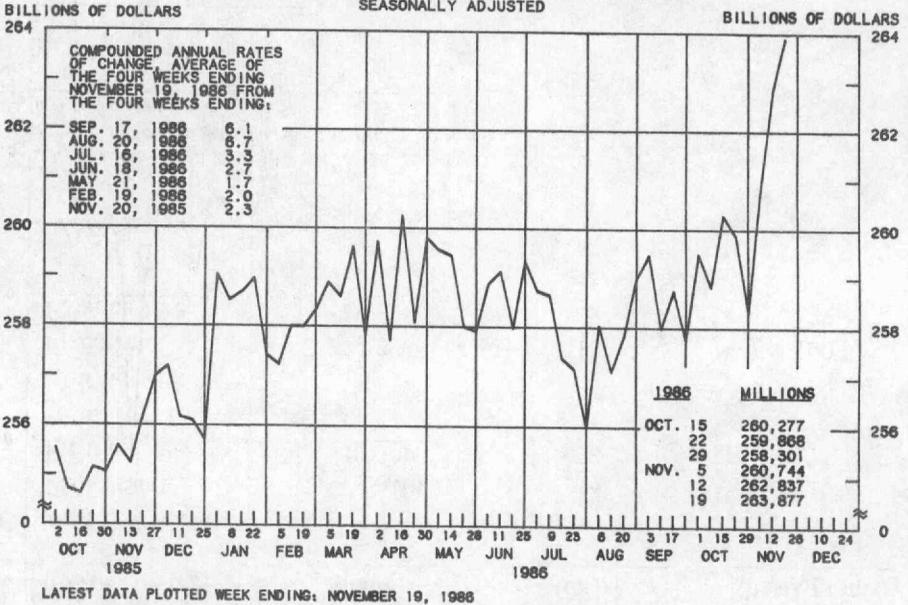
1/ 83.767 FOR 11/27/85

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

Characteristics of Short-Term Commercial and Industrial Loans Made by Commercial Banks at Below Prime Rate

<u>Loan type</u>	<u>Percent of below-prime- rate loans made</u>	<u>Average maturity (days)</u>	<u>Average discount from prime (basis points)</u>
February 3-7 Survey:			
Fixed rate	74.5%	18	76
Floating rate	19.7	78	75
May 5-9 Survey:			
Fixed rate	74.3	17	100
Floating rate	18.8	68	77