

RESEARCH LIBRARY

Federal Reserve Bank

of St. Louis

# U.S. Financial Data

JAN 21 1987

January 15, 1987

The federal funds rate increased considerably during the last week of 1986, reaching an effective daily high of 16.17 percent on December 30 and averaging 9.20 percent for the week, up 289 basis points from the previous week. In the subsequent week, however, the federal funds rate declined by 158 basis points.

One explanation for this temporary, albeit dramatic, rise in the federal funds rate is that some banks apparently attempt to increase temporarily the size of their assets, in particular excess reserves, at year-end. These actions would result in temporary increases in excess reserves, the federal funds rate and adjustment plus seasonal borrowings (see table on back page). The banks that desire to increase their total assets at year-end bid the federal funds rate up substantially from its previous level. The increase in demand for assets coupled with a higher federal funds rate prompt additional borrowing from the Federal Reserve. For example, adjustment plus seasonal borrowings increased by \$1.283 billion in the week including December 31 from the previous week, only to decline by \$1.083 billion in the following week.

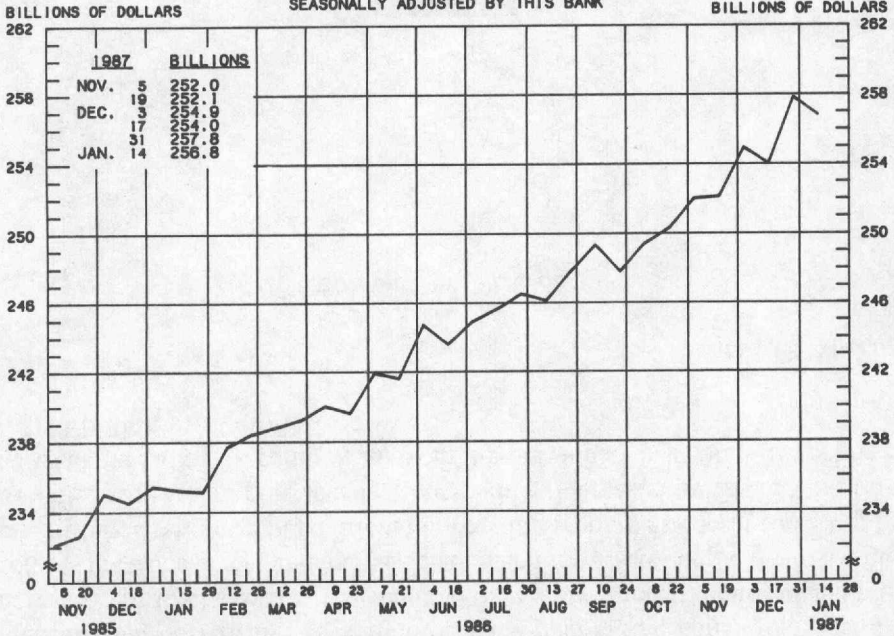
—Richard G. Sheehan

(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: JANUARY 14, 1987

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.

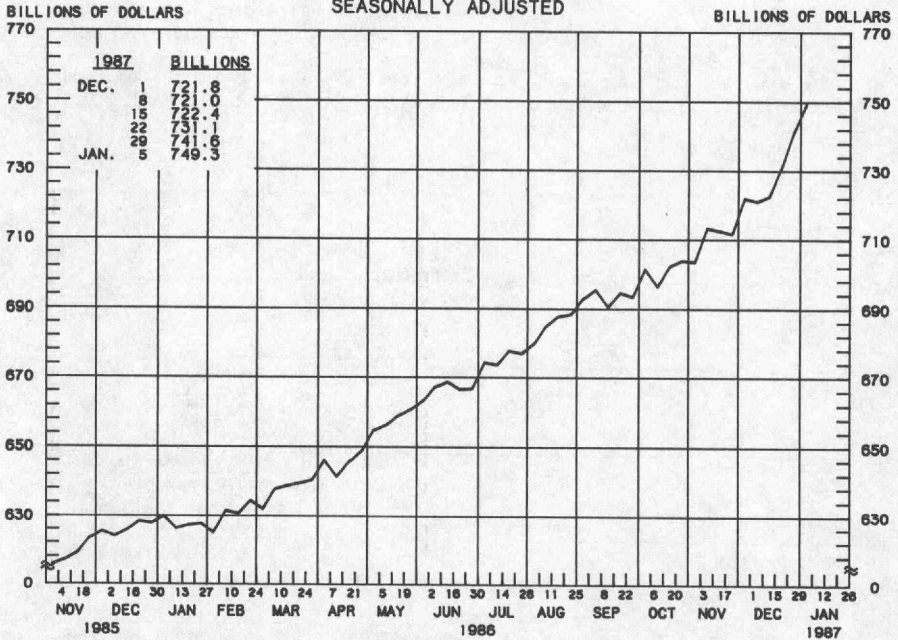
## ADJUSTED MONETARY BASE

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

	1/15/86	4/9/86	6/18/86	7/16/86	8/13/86	9/10/86	10/8/86	11/19/86
TO THE AVERAGE OF TWO MAINTENANCE PERIODS ENDING:								
6/18/86	9.2							
7/16/86	8.7	9.1						
8/13/86	8.2	8.3	5.7					
9/10/86	8.8	9.1	8.0	9.1				
10/8/86	7.8	7.7	6.0	6.0	6.2			
11/19/86	8.5	8.6	7.8	8.2	9.0	7.5		
12/17/86	8.9	9.1	8.6	9.1	9.9	9.1	13.0	
1/14/87	9.3	9.7	9.5	10.0	10.9	10.4	13.6	14.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: JANUARY 5, 1987

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.

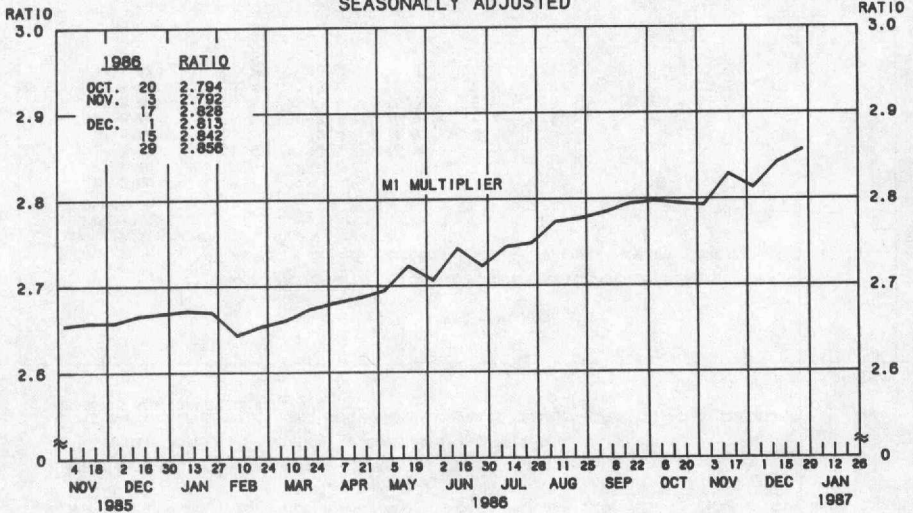
## MONEY STOCK (M1)

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

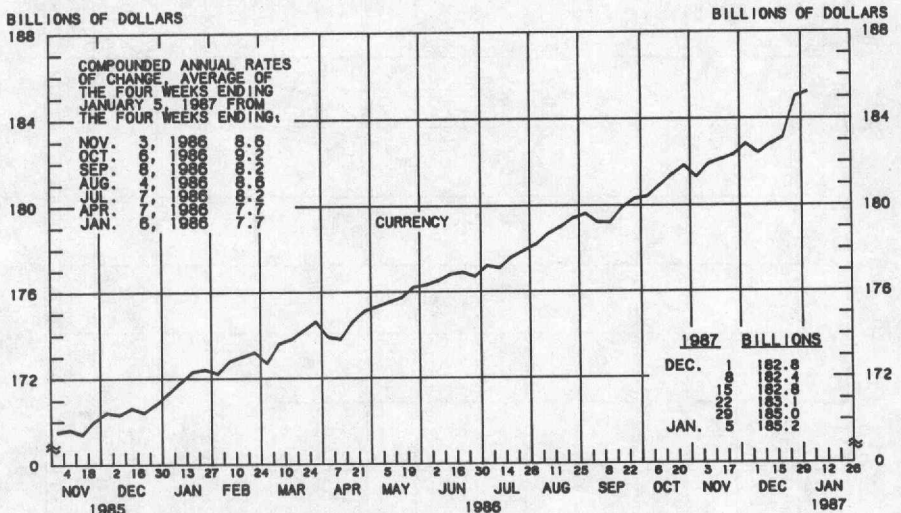
TO THE AVERAGE OF FOUR WEEKS ENDING:	1/5/86	4/7/86	6/2/86	7/7/86	8/4/86	9/8/86	10/6/86	11/3/86
5/ 2/86	13.1							
7/ 7/86	13.5	18.6						
8/ 4/86	13.9	18.1	15.9					
9/ 8/86	15.3	19.4	18.7	20.6				
10/ 6/86	14.5	17.5	16.2	16.4	16.4			
11/ 3/86	14.3	16.9	15.5	15.6	15.3	10.2		
12/ 8/86	15.4	18.0	17.3	17.7	17.9	15.7	19.5	
1/ 5/87	17.2	20.2	20.1	21.1	21.9	21.3	25.9	32.2

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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: DECEMBER 29, 1986



LATEST DATA PLOTTED WEEK ENDING: JANUARY 5, 1987

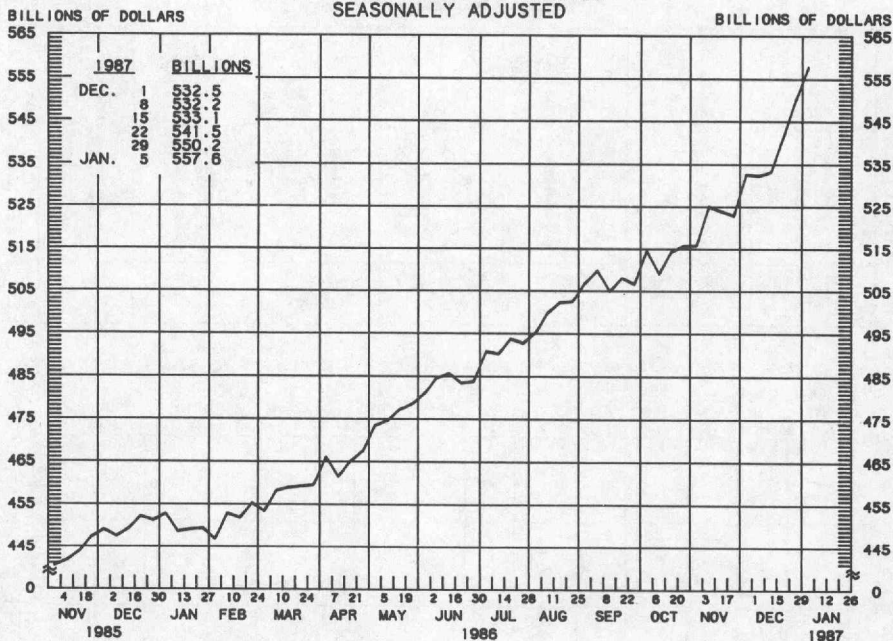
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

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: JANUARY 5, 1987

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:

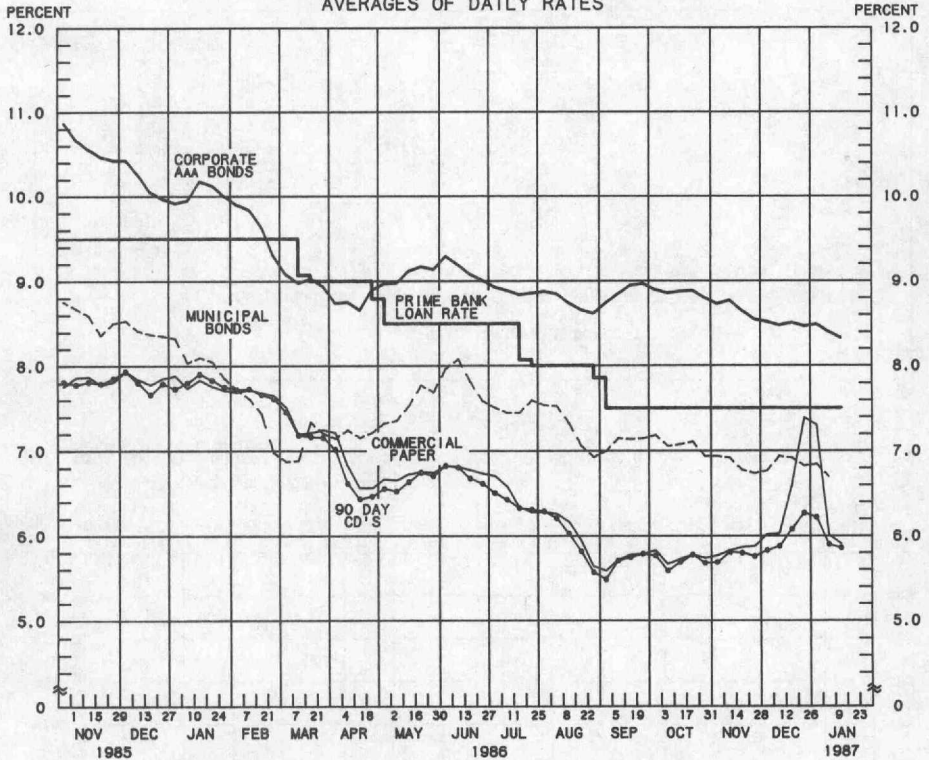
	1/6/86	4/7/86	6/2/86	7/7/86	8/4/86	9/8/86	10/6/86	11/3/86
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/ 2/86	15.2							
7/ 7/86	15.9	23.4						
8/ 4/86	16.6	22.8	19.8					
9/ 8/86	18.3	24.2	23.1	25.4				
10/ 6/86	17.3	21.7	19.7	19.9	19.6			
11/ 3/86	17.0	20.7	18.7	18.6	18.0	11.5		
12/ 8/86	18.5	22.3	21.2	21.7	21.9	19.1	24.2	
1/ 5/87	20.9	25.2	25.0	26.1	27.1	26.5	32.6	41.6

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# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JANUARY 16, 1987.

1987	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS <sup>20</sup>
NOV. 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
28	5.76	5.88	5.72	8.55	9.99	6.74
DEC. 5	5.83	6.02	5.75	8.52	9.98	6.77
12	5.88	6.03	5.84	8.48	9.97	6.94
19	6.08	6.59	6.04	8.51	9.97	6.92
26	6.27	7.39	6.24	8.47	9.98	6.83
JAN. 2	6.22	7.31	6.10	8.49	9.97	6.85
9	5.90	6.01	5.74	8.40	9.82	6.70
16 *	5.86	5.91	5.73	8.33	9.72	N.A.
23						
30						

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

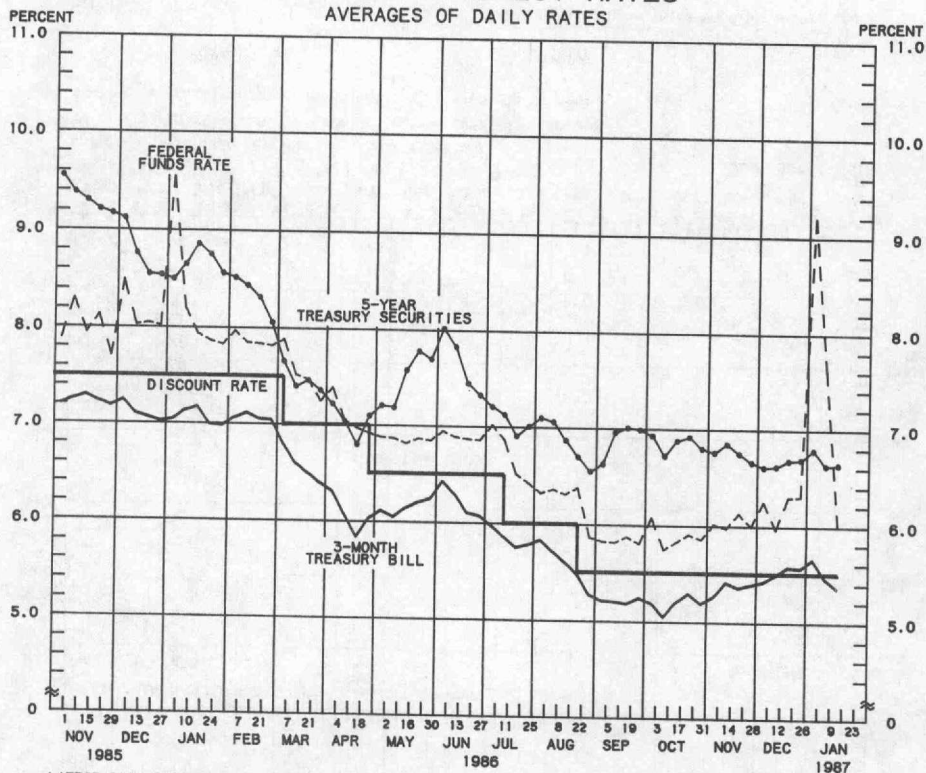
\* AVERAGES OF RATES AVAILABLE

<sup>20</sup> 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

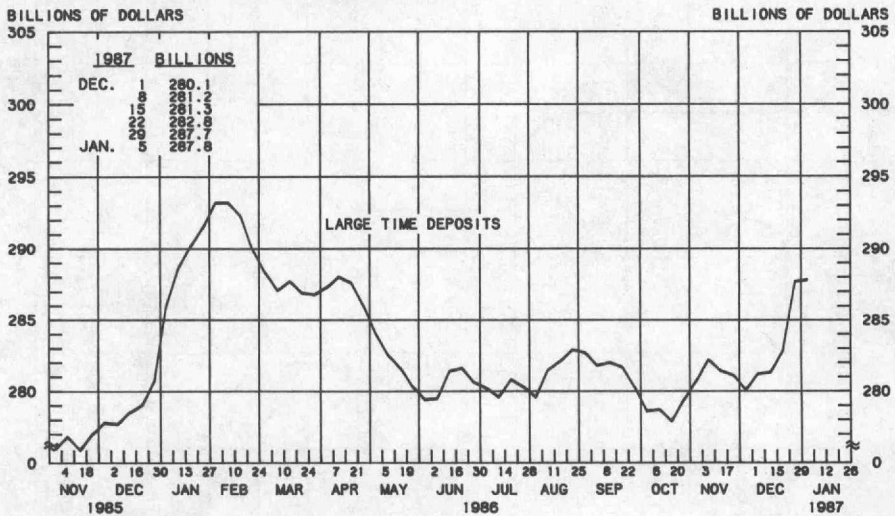
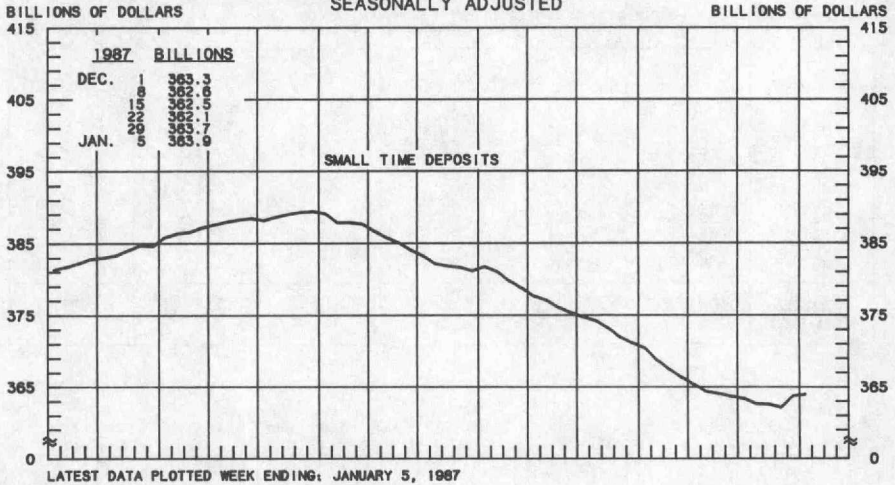


1987	FEDERAL FUNDS RATE	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
NOV. 7	6.02	5.26	5.30	5.45	6.76	7.88
14	5.98	5.41	5.54	5.56	6.85	7.95
21	6.13	5.36	5.44	5.47	6.75	7.75
28	6.00	5.39	5.39	5.45	6.66	7.72
DEC. 5	6.25	5.42	5.46	5.47	6.61	7.65
12	5.97	5.49	5.50	5.51	6.62	7.68
19	6.30	5.57	5.58	5.57	6.68	7.70
26	6.31	5.56	5.56	5.59	6.69	7.63
JAN. 2	9.20	5.65	5.68	5.64	6.79	7.76
9	7.62	5.46	5.55	5.49	6.63	7.58
16	6.01	5.36	5.43	5.46	6.64	7.59
23						
30						

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



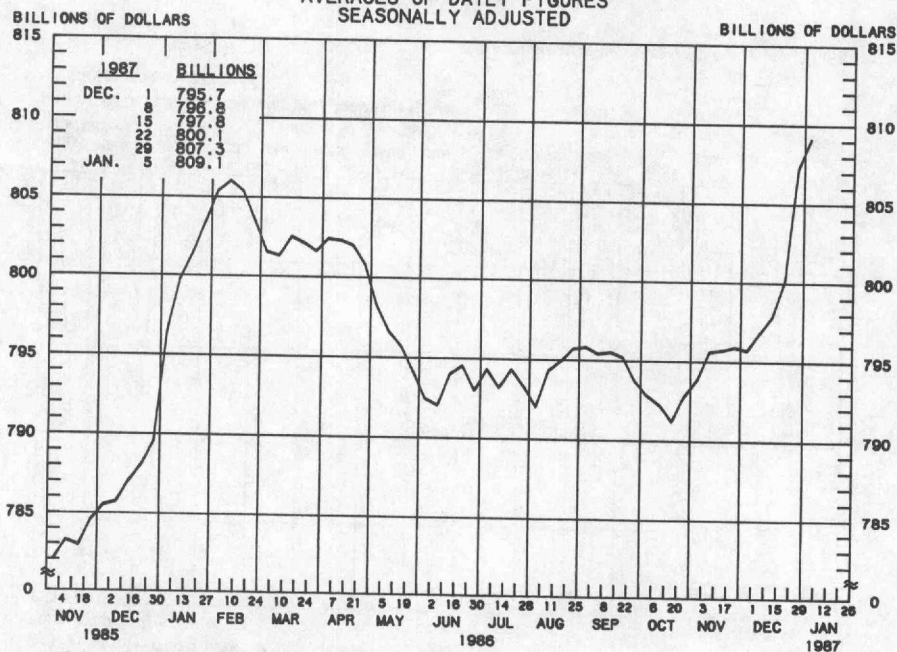
1/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000

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



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

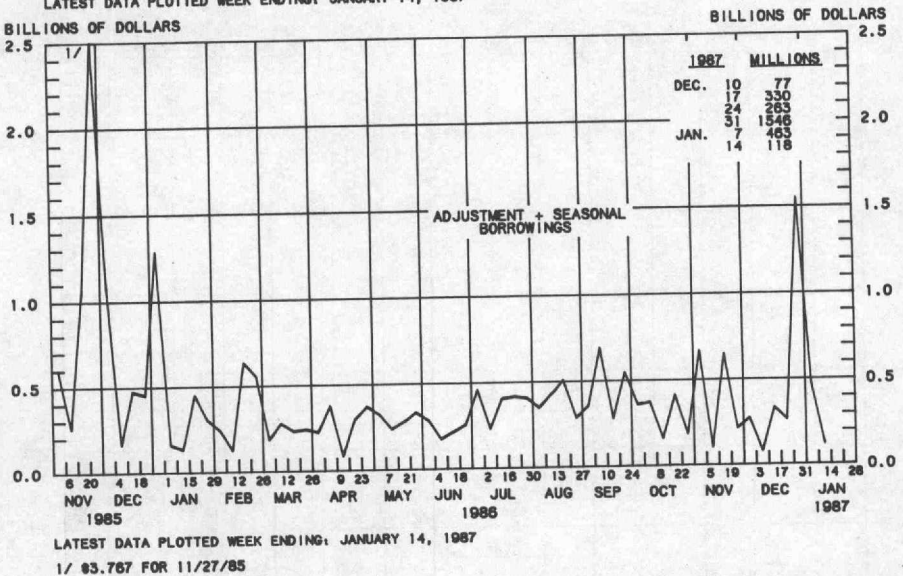
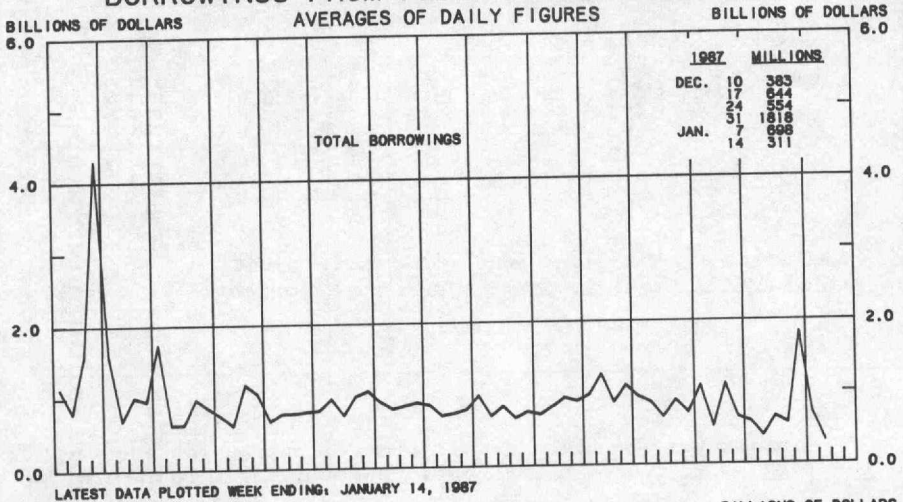
## TOTAL TIME DEPOSITS

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	1/6/86	4/7/86	6/2/86	7/7/86	8/4/86	9/8/86	10/6/86	11/3/86
6/ 2/86	1.4							
7/ 7/86	0.9	-4.0						
8/ 4/86	0.6	-3.4	-1.1					
9/ 8/86	1.0	-2.0	0.4	1.1				
10/ 6/86	0.7	-2.0	-0.1	0.2	0.8			
11/ 3/86	0.3	-2.1	-0.7	-0.6	-0.4	-2.4		
12/ 8/86	0.8	-1.1	0.3	0.6	1.0	0.3	1.2	
1/ 5/87	1.7	0.2	1.9	2.4	3.1	3.1	4.8	8.4

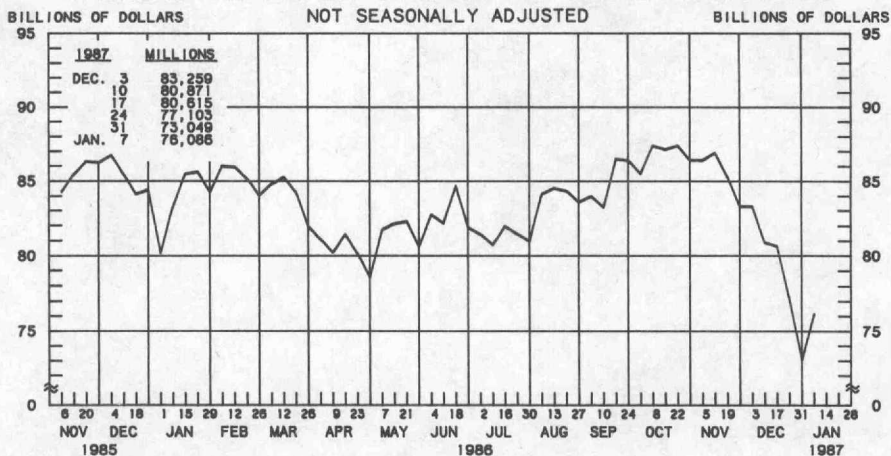
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# BORROWINGS FROM FEDERAL RESERVE BANKS

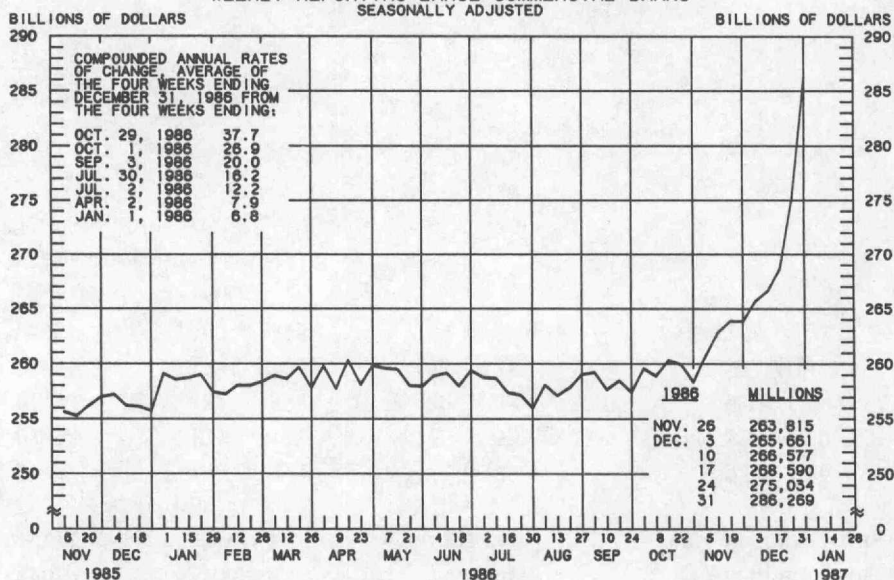


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# COMMERCIAL PAPER OF NONFINANCIAL COMPANIES



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



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

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

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**Changes in Excess Reserves, the Federal Funds Rate  
and Adjustment Plus Seasonal Borrowings at Year-End**  
(change from week prior to week including 12/31 and  
change from week including 12/31 to subsequent week in  
parentheses; amounts in millions of dollars)

<b>Year ending</b>	<b>Excess reserves<sup>1</sup></b>	<b>Federal funds rate<sup>2</sup></b>	<b>Adjustment plus seasonal borrowings</b>
1982	\$ 486 (-421)	142 (-179)	\$ 556 (-763)
1983	131 (-118)	110 (-53)	536 (-725)
1984	681 (-574)	80 (-48)	969 (-891)
1985	479 (-31)	153 (-135)	832 (-1126)
1986	1363 (-1395)	289 (-158)	1283 (-1083)

<sup>1</sup> Difference between maintenance periods

<sup>2</sup> Changes in basis points