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NEWS RELEASE

EMBARGOED UNTIL RELEASE AT 9:00 A.M. EST, WEDNESDAY, JANUARY 16, 2013.

CFS DIVISIA MONETARY DATA FOR THE UNITED STATES:¹ DECEMBER 2012

The CFS Featured Broad Divisia Monetary Aggregates in December 2012

- CFS Divisia M4, including Treasuries (DM4) – the broadest and most important measure of money calculated by the Center for Financial Stability – grew by 6.9% in December 2012, on a year-over-year basis. In contrast, CFS Divisia M4 increased by 0.9% in December 2011 over the preceding year.
- The narrower version of the CFS Divisia M4, excluding Treasuries, (DM4-), increased by 6.9% in December 2012 over the year, relative to a year-over-year gain of 2.7% in December 2011.
- CFS Divisia M3 (DM3) advanced by 6.9% year-over-year, relative to an increase of 3.6% in December 2011.

The Narrow Divisia Monetary Aggregates in December 2012²

- CFS Divisia M2 (DM2) advanced by 8.4% year-over-year, relative to an increase of 10.0% in December 2011 over the preceding year.
- CFS Divisia M1 (DM1) advanced by 12.8% year-over-year, relative to an increase of 12.6% in December 2011 over the preceding year.

Most Significant Factors Influencing CFS Divisia M4 in December 2012

Positive Contributors to CFS Divisia M4 Growth

- The largest positive contributor to CFS Divisia M4 growth was commercial banks' savings deposits (sweeps adjusted), contributing an increase of 3.4% in the last 12 months ending December 2012. Their growth-rate weight was 27.1%. Unweighted, they increased 13.5% in the last 12 months. This component is included in all of the aggregates, except the narrowest (DM1).
- The second largest positive contributor to growth was demand deposits (sweeps adjusted), contributing an increase of 1.5% in the last 12 months ending December 2012. Their growth-rate weight was 8.2%. Unweighted, they increased 19.6% in the last 12 months. This component is included in all of the aggregates.
- The third largest positive contributor to growth was repurchase agreements, contributing an increase of 1.0% in the last 12 months ending December 2012. Their growth-rate weight was 9.7%. Unweighted, they increased 10.5% in the last 12 months. This component is included in DM3, DM4-, and DM4, but not in the narrower aggregates (DM1 and DM2).

¹ The CFS Divisia indexes in this release were constructed under the direction of Professor William A. Barnett. Dr. Barnett is the originator of the Divisia monetary aggregates, which he has been developing and refining for decades, in accordance with modern advances in economic aggregation and index-number theory.

² The narrow aggregates, DM1 and DM2, are similar to the MSI (monetary services index) Divisia aggregates, supplied by the St. Louis Federal Reserve Bank. See page 18 for the relationship between the CFS and the MSI aggregates. The broad Divisia monetary aggregates, DM3, DM4-, and DM4, are available only from the CFS, since no other source currently exists for broad Divisia monetary aggregates for the US.

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Negative Contributors to CFS Divisia M4 Growth

- The largest negative contributor to CFS Divisia M4 growth was commercial banks' small time deposits, contributing a decrease of 0.5% in the last 12 months ending December 2012. Their growth-rate weight was 2.9%. Unweighted, they decreased 15.2% in the last 12 months. This component is included in all of the aggregates, except the narrowest (DM1).
- The second largest negative contributor to CFS Divisia M4 growth was thrifts' small time deposits, contributing a decrease of 0.3% in the last 12 months ending December 2012. Their growth-rate weight was 1.0%. Unweighted, they decreased 21.7% in the last 12 months. This component is included in all of the aggregates, except the narrowest (DM1).
- The third largest negative contributor to CFS Divisia M4 growth was thrift institutions' savings deposits (sweeps adjusted), contributing a decrease of 0.2% in the last 12 months ending December 2012. Their growth-rate weight was 4.8%. Unweighted, they decreased 3.7% in the last 12 months. This component is included in all of the aggregates, except the narrowest (DM1).

Contents

Page

Figure 1 - Recent Growth in Broad CFS Divisia Monetary Data	3
Figure 2 - Recent Growth in Narrow CFS Divisia Monetary Data	3
Figure 3 - CFS Divisia Monetary Aggregates Table, Year-Over-Year Percent Change	4
Figure 4 - CFS Divisia Data Table (DM4, DM4-, and DM3)	5
Figure 5 - CFS Divisia Data Table (DM2 and DM1)	6
Figure 6 - Components of CFS Divisia M4 - Highlights for December 2012	7
Figure 7 - CFS Divisia Monetary Growth Charts	8
Figure 8 - CFS Divisia Monetary Aggregates Level Charts	9
Figure 9 - Components of All CFS Divisia Aggregates	10
Figure 10 - Components of CFS Divisia M4 - Highlights for December 2012	11
Figure 11 - Components of CFS Divisia M4 (Asset Levels in Billions of Dollars)	12
Figure 12 - Components of CFS Divisia M4 (Year-Over-Year Growth Rates)	13
Figure 13 - CFS Divisia M4 Growth-Rate Weights	14
Figure 14 - Weighted Contributions to Divisia M4 Growth (12-Month Moving Average)	15
Figure 15 - Unweighted Components of CFS Divisia M4 (Year-Over-Year Growth Rates)	16
Figure 16 - CFS Divisia M4 Quarterly Growth Triangle	17
Introduction to CFS Divisia Monetary Aggregates	18
CFS Divisia Resources on the Center for Financial Stability Site	19
About the Center for Financial Stability	19
CFS Divisia Contacts	19

The next CFS Divisia M4 data are scheduled to be released at 9:00 AM EST on Wednesday, February 20, 2013.



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Figure 1 - Recent Growth in Broad CFS Divisia Monetary Data³

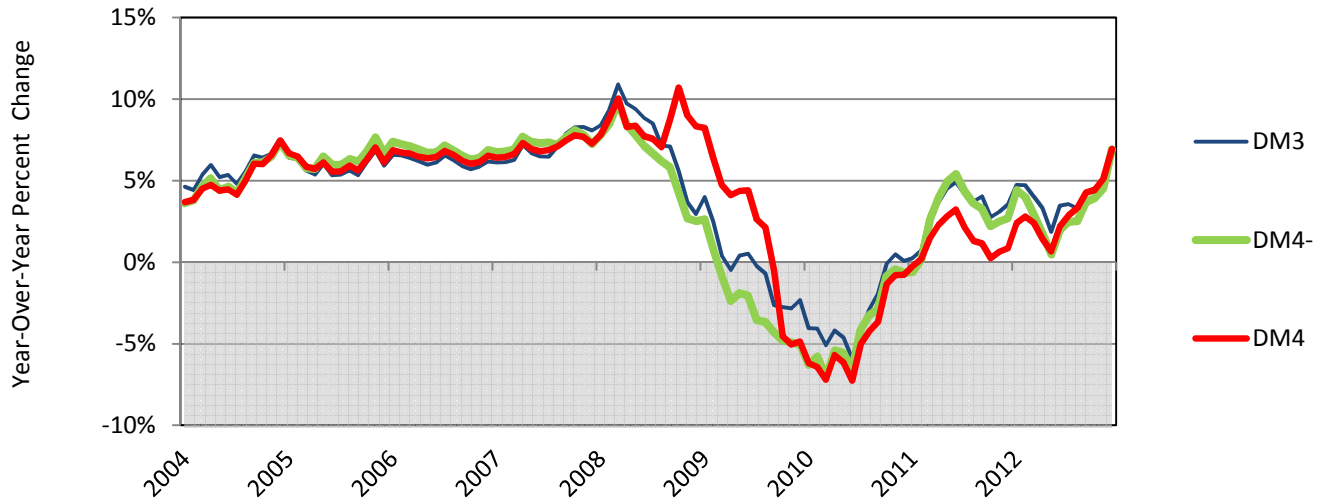
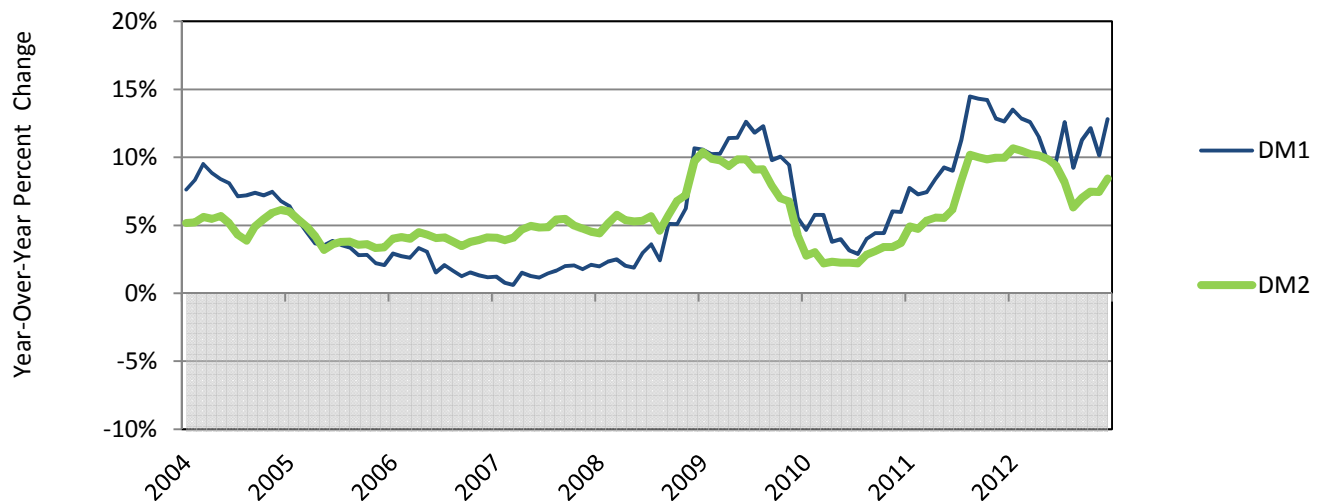


Figure 2 - Recent Growth in Narrow CFS Divisia Monetary Data⁴



³ The broadest CFS Divisia monetary aggregates are **best** for most purposes. See p. 18 for background on the supporting research. We nevertheless provide the narrower CFS Divisia aggregates in Figure 2 for comparison.

⁴ The narrow aggregates shown here, DM1 and DM2, are similar to the MSI (monetary services index) Divisia aggregates, supplied by the St. Louis Federal Reserve Bank. For more information about the St. Louis Fed's MSI Divisia aggregates and their relationship to the CFS Divisia monetary aggregates, see p. 18.



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Figure 3 - CFS Divisia Monetary Aggregates Table, Year-Over-Year Percent Change

Date	Divisia M4 Including Treasuries (DM4)	Divisia M4 Excluding Treasuries (DM4-)	Divisia M3	Divisia M2 (Sweeps Adjusted) ⁵	Divisia M1 (Sweeps Adjusted) ⁵
Mar-10	-7.2%	-7.0%	-5.1%	2.2%	5.8%
Apr-10	-5.7%	-5.4%	-4.2%	2.3%	3.8%
May-10	-6.1%	-5.6%	-4.6%	2.2%	4.0%
Jun-10	-7.3%	-6.6%	-5.9%	2.2%	3.1%
Jul-10	-5.0%	-4.1%	-4.3%	2.2%	2.9%
Aug-10	-4.2%	-3.2%	-2.9%	2.8%	4.0%
Sep-10	-3.7%	-2.9%	-1.9%	3.1%	4.4%
Oct-10	-1.3%	-0.8%	-0.1%	3.4%	4.4%
Nov-10	-0.8%	-0.4%	0.5%	3.4%	6.0%
Dec-10	-0.8%	-0.6%	0.1%	3.7%	6.0%
Jan-11	-0.2%	-0.6%	0.2%	4.9%	7.7%
Feb-11	0.2%	0.2%	0.7%	4.7%	7.3%
Mar-11	1.5%	2.6%	2.9%	5.3%	7.4%
Apr-11	2.3%	4.0%	3.7%	5.6%	8.4%
May-11	2.8%	5.0%	4.5%	5.5%	9.3%
Jun-11	3.2%	5.4%	4.9%	6.2%	9.0%
Jul-11	2.1%	4.3%	4.2%	8.3%	11.3%
Aug-11	1.3%	3.6%	3.7%	10.2%	14.5%
Sep-11	1.2%	3.3%	4.0%	10.0%	14.3%
Oct-11	0.2%	2.2%	2.8%	9.8%	14.2%
Nov-11	0.6%	2.5%	3.1%	10.0%	12.9%
Dec-11	0.9%	2.7%	3.6%	10.0%	12.6%
Jan-12	2.4%	4.4%	4.7%	10.7%	13.5%
Feb-12	2.8%	4.0%	4.7%	10.5%	12.9%
Mar-12	2.4%	2.9%	4.0%	10.3%	12.6%
Apr-12	1.4%	1.7%	3.3%	10.1%	11.5%
May-12	0.7%	0.5%	1.9%	9.9%	9.7%
Jun-12	2.2%	2.0%	3.5%	9.4%	9.7%
Jul-12	2.9%	2.5%	3.6%	8.2%	12.6%
Aug-12	3.3%	2.5%	3.3%	6.3%	9.2%
Sep-12	4.3%	3.7%	4.3%	7.0%	11.3%
Oct-12	4.4%	3.9%	4.5%	7.5%	12.1%
Nov-12	5.1%	4.5%	4.9%	7.5%	10.1%
Dec-12	6.9%	6.9%	6.9%	8.4%	12.8%

Note: Cells are shaded on a gradient from dark green (maximum) to dark red (minimum).

⁵ While the broadest Divisia monetary aggregates are best for most purposes, we provide the narrower CFS Divisia aggregates for comparison. The narrow aggregates shown here, DM1 and DM2, are similar to the MSI (monetary services index) Divisia aggregates, supplied by the St. Louis Federal Reserve Bank. For more information about the St. Louis Fed’s MSI Divisia aggregates and their relationship to the CFS Divisia monetary aggregates, see p. 18.



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Figure 4 - CFS Divisia Data Table (DM4, DM4-, and DM3)

Levels are normalized to equal 100 in Jan. 1967

Date	Divisia M4 Including Treasuries (DM4)			Divisia M4 Excluding Treasuries (DM4-)			Divisia M3		
	Level	Yr-Over-Yr % Growth Rate	Interest-Rate Aggregate %	Level	Yr-Over-Yr % Growth Rate	Interest-Rate Aggregate %	Level	Yr-Over-Yr % Growth Rate	Interest-Rate Aggregate %
Mar-10	1,193	-7.2%	0.15%	1,097	-7.0%	0.15%	1,073	-5.1%	0.15%
Apr-10	1,197	-5.7%	0.17%	1,098	-5.4%	0.17%	1,075	-4.2%	0.16%
May-10	1,201	-6.1%	0.20%	1,101	-5.6%	0.21%	1,080	-4.6%	0.19%
Jun-10	1,185	-7.3%	0.21%	1,086	-6.6%	0.22%	1,065	-5.9%	0.20%
Jul-10	1,200	-5.0%	0.20%	1,102	-4.1%	0.20%	1,079	-4.3%	0.19%
Aug-10	1,206	-4.2%	0.17%	1,109	-3.2%	0.17%	1,087	-2.9%	0.16%
Sep-10	1,207	-3.7%	0.16%	1,110	-2.9%	0.16%	1,086	-1.9%	0.15%
Oct-10	1,219	-1.3%	0.15%	1,122	-0.8%	0.15%	1,100	-0.1%	0.14%
Nov-10	1,214	-0.8%	0.14%	1,119	-0.4%	0.14%	1,098	0.5%	0.14%
Dec-10	1,209	-0.8%	0.14%	1,112	-0.6%	0.14%	1,093	0.1%	0.14%
Jan-11	1,208	-0.2%	0.14%	1,108	-0.6%	0.14%	1,093	0.2%	0.13%
Feb-11	1,205	0.2%	0.14%	1,115	0.2%	0.14%	1,095	0.7%	0.13%
Mar-11	1,210	1.5%	0.13%	1,126	2.6%	0.13%	1,104	2.9%	0.12%
Apr-11	1,225	2.3%	0.11%	1,142	4.0%	0.11%	1,114	3.7%	0.11%
May-11	1,235	2.8%	0.10%	1,156	5.0%	0.11%	1,128	4.5%	0.10%
Jun-11	1,223	3.2%	0.10%	1,145	5.4%	0.11%	1,117	4.9%	0.10%
Jul-11	1,225	2.1%	0.10%	1,149	4.3%	0.10%	1,124	4.2%	0.10%
Aug-11	1,222	1.3%	0.11%	1,149	3.6%	0.11%	1,127	3.7%	0.11%
Sep-11	1,221	1.2%	0.11%	1,147	3.3%	0.12%	1,130	4.0%	0.11%
Oct-11	1,222	0.2%	0.11%	1,147	2.2%	0.12%	1,130	2.8%	0.11%
Nov-11	1,222	0.6%	0.12%	1,147	2.5%	0.13%	1,132	3.1%	0.12%
Dec-11	1,219	0.9%	0.12%	1,142	2.7%	0.13%	1,131	3.6%	0.13%
Jan-12	1,237	2.4%	0.12%	1,157	4.4%	0.13%	1,145	4.7%	0.12%
Feb-12	1,238	2.8%	0.12%	1,159	4.0%	0.12%	1,147	4.7%	0.12%
Mar-12	1,239	2.4%	0.12%	1,158	2.9%	0.13%	1,149	4.0%	0.12%
Apr-12	1,242	1.4%	0.12%	1,162	1.7%	0.13%	1,151	3.3%	0.12%
May-12	1,243	0.7%	0.12%	1,162	0.5%	0.13%	1,149	1.9%	0.12%
Jun-12	1,250	2.2%	0.13%	1,168	2.0%	0.13%	1,156	3.5%	0.12%
Jul-12	1,260	2.9%	0.12%	1,178	2.5%	0.12%	1,164	3.6%	0.12%
Aug-12	1,262	3.3%	0.11%	1,178	2.5%	0.11%	1,164	3.3%	0.11%
Sep-12	1,273	4.3%	0.11%	1,189	3.7%	0.11%	1,178	4.3%	0.11%
Oct-12	1,276	4.4%	0.11%	1,192	3.9%	0.11%	1,181	4.5%	0.11%
Nov-12	1,285	5.1%	0.10%	1,199	4.5%	0.11%	1,188	4.9%	0.10%
Dec-12	1,304	6.9%	0.10%	1,221	6.9%	0.10%	1,209	6.9%	0.10%



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Figure 5 - CFS Divisia Data Table (DM2 and DM1)

Levels are normalized to equal 100 in Jan. 1967

Date	Divisia M2 (Sweeps Adjusted)			Divisia M1 (Sweeps Adjusted)		
	Level	Yr-Over-Yr % Growth Rate	Interest-Rate Aggregate %	Level	Yr-Over-Yr % Growth Rate	Interest-Rate Aggregate %
Mar-10	976	2.2%	0.13%	1,216	5.8%	0.03%
Apr-10	979	2.3%	0.13%	1,211	3.8%	0.03%
May-10	985	2.2%	0.13%	1,213	4.0%	0.03%
Jun-10	987	2.2%	0.12%	1,222	3.1%	0.03%
Jul-10	987	2.2%	0.12%	1,223	2.9%	0.03%
Aug-10	991	2.8%	0.12%	1,233	4.0%	0.03%
Sep-10	995	3.1%	0.11%	1,243	4.4%	0.03%
Oct-10	1,001	3.4%	0.10%	1,250	4.4%	0.03%
Nov-10	1,005	3.4%	0.10%	1,272	6.0%	0.03%
Dec-10	1,010	3.7%	0.09%	1,281	6.0%	0.02%
Jan-11	1,017	4.9%	0.09%	1,295	7.7%	0.02%
Feb-11	1,022	4.7%	0.09%	1,300	7.3%	0.02%
Mar-11	1,028	5.3%	0.09%	1,306	7.4%	0.02%
Apr-11	1,034	5.6%	0.09%	1,312	8.4%	0.02%
May-11	1,039	5.5%	0.09%	1,325	9.3%	0.02%
Jun-11	1,048	6.2%	0.08%	1,332	9.0%	0.02%
Jul-11	1,069	8.3%	0.08%	1,361	11.3%	0.02%
Aug-11	1,091	10.2%	0.08%	1,411	14.5%	0.02%
Sep-11	1,094	10.0%	0.08%	1,420	14.3%	0.01%
Oct-11	1,100	9.8%	0.07%	1,428	14.2%	0.01%
Nov-11	1,105	10.0%	0.07%	1,436	12.9%	0.01%
Dec-11	1,110	10.0%	0.07%	1,443	12.6%	0.01%
Jan-12	1,126	10.7%	0.06%	1,470	13.5%	0.01%
Feb-12	1,129	10.5%	0.07%	1,467	12.9%	0.01%
Mar-12	1,133	10.3%	0.07%	1,470	12.6%	0.01%
Apr-12	1,138	10.1%	0.07%	1,464	11.5%	0.01%
May-12	1,142	9.9%	0.07%	1,454	9.7%	0.01%
Jun-12	1,147	9.4%	0.07%	1,461	9.7%	0.01%
Jul-12	1,156	8.2%	0.06%	1,532	12.6%	0.01%
Aug-12	1,161	6.3%	0.06%	1,542	9.2%	0.01%
Sep-12	1,171	7.0%	0.06%	1,580	11.3%	0.01%
Oct-12	1,182	7.5%	0.06%	1,601	12.1%	0.01%
Nov-12	1,188	7.5%	0.05%	1,581	10.1%	0.01%
Dec-12	1,204	8.4%	0.05%	1,627	12.8%	0.01%



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Figure 6 - Components of CFS Divisia M4 - Highlights for December 2012

Components in this table build from the narrowest aggregate at the top to the broadest at the bottom. For example, the darkest green in the left column includes components of DM1. The next tier shows the components included in DM2, but not within DM1.

	Weighted Contribution To DM4 Money Annual Growth Rate*	Divisia Growth-Rate Weights (Average of Last 12 Months)	Unweighted Year-Over-Year Percentage Growth Rate
DM1			
Currency	0.5%	6.4%	8.9%
Traveler's Checks	0.0%	0.0%	-9.3%
Demand Deposits **	1.5%	8.2%	19.6%
OCDs at Commercial Banks **	0.1%	2.4%	3.0%
OCDs at Thrift Institutions **	0.2%	1.8%	9.7%
Added into DM2			
Savings Deposits at Commercial Banks **	3.4%	27.1%	13.5%
Savings Deposits at Thrift Institutions **	-0.2%	4.8%	-3.7%
Retail Money-Market Funds	-0.1%	3.8%	-2.1%
Small Time Deposits at Commercial Banks	-0.5%	2.9%	-15.2%
Small Time Deposits at Thrifts	-0.3%	1.0%	-21.7%
Added into DM3			
Institutional Money-Market Funds	-0.1%	10.4%	-1.2%
Large Time Deposits	0.1%	6.8%	1.7%
Repurchase Agreements	1.0%	9.7%	10.5%
Added into DM4-			
Commercial Paper	0.4%	5.3%	7.7%
Added into DM4			
T-Bills	0.7%	9.4%	7.2%

Note: The row labels in the first column are shaded to show which components are included into which aggregates. Each data column is shaded on a gradient from dark green (maximum) to dark red (minimum). See the figures 10-15 for these calculations over time and a chart version of the above table.

* Average of last 12 monthly weighted contributions to CFS Divisia M4 growth rates (annual rates). Unlike the other percent calculations in this report, the weighted contributions use continuous percent changes computed from natural logs.

** Sweeps adjusted.

Components That Are Pulling CFS Divisia M4 Up

The largest positive contributor to CFS Divisia M4 growth was commercial banks' savings deposits (sweeps adjusted), contributing an increase of 3.4% in the last 12 months ending December 2012. Their growth-rate weight was 27.1%. Unweighted, they increased 13.5% in the last 12 months. This component is included in all of the aggregates, except the narrowest (DM1).

The second largest positive contributor to growth was demand deposits (sweeps adjusted), contributing an increase of 1.5% in the last 12 months ending December 2012. Their growth-rate weight was 8.2%. Unweighted, they increased 19.6% in the last 12 months. This component is included in all of the aggregates.

The third largest positive contributor to growth was repurchase agreements, contributing an increase of 1.0% in the last 12 months ending December 2012. Their growth-rate weight was 9.7%. Unweighted, they increased 10.5% in the last 12 months. This component is included in DM3, DM4-, and DM4, but not in the narrower aggregates (DM1 and DM2).

Components That Are Pulling CFS Divisia M4 Down

The largest negative contributor to CFS Divisia M4 growth was commercial banks' small time deposits, contributing a decrease of 0.5% in the last 12 months ending December 2012. Their growth-rate weight was 2.9%. Unweighted, they decreased 15.2% in the last 12 months. This component is included in all of the aggregates, except the narrowest (DM1).

The second largest negative contributor to CFS Divisia M4 growth was thrifts' small time deposits, contributing a decrease of 0.3% in the last 12 months ending December 2012. Their growth-rate weight was 1.0%. Unweighted, they decreased 21.7% in the last 12 months. This component is included in all of the aggregates, except the narrowest (DM1).

The third largest negative contributor to CFS Divisia M4 growth was thrift institutions' savings deposits (sweeps adjusted), contributing a decrease of 0.2% in the last 12 months ending December 2012. Their growth-rate weight was 4.8%. Unweighted, they decreased 3.7% in the last 12 months. This component is included in all of the aggregates, except the narrowest (DM1).



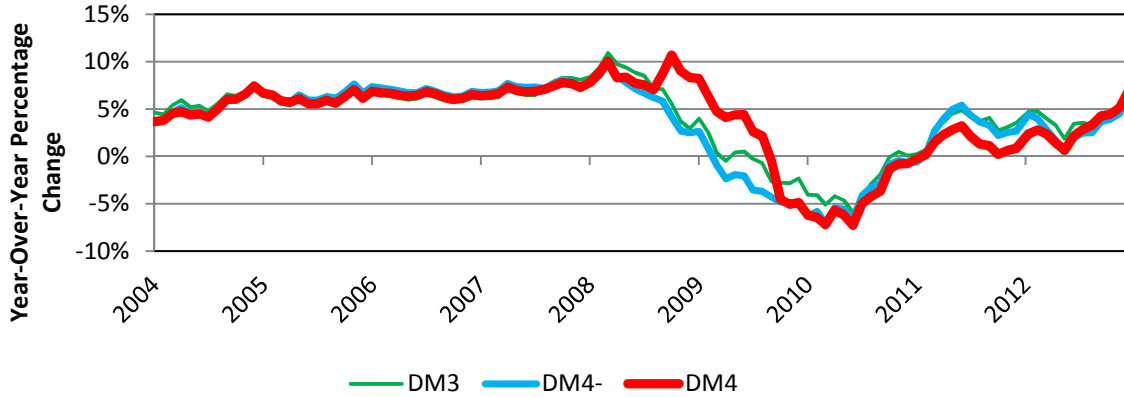
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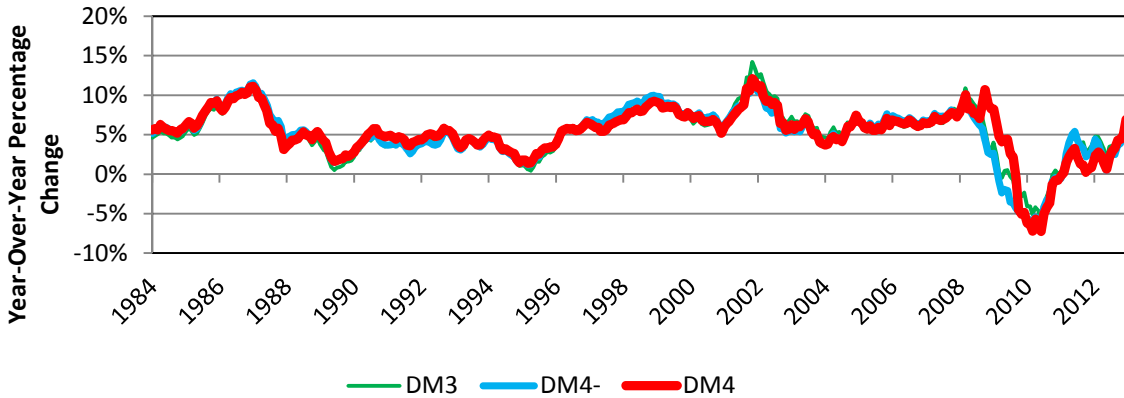
Figure 7 - CFS Divisia Monetary Growth Charts

DM3, DM4-, and DM4 Year-Over-Year Percent Change, Three Date Horizons

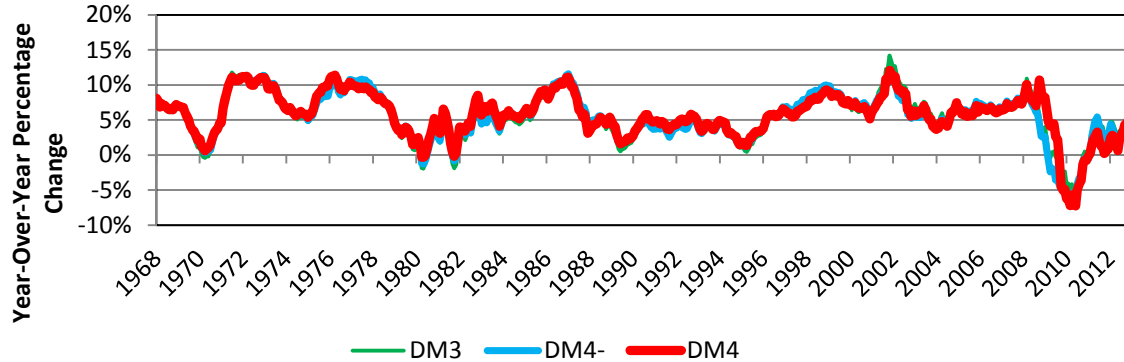
2004 to Present



1984-Present



1968 to Present





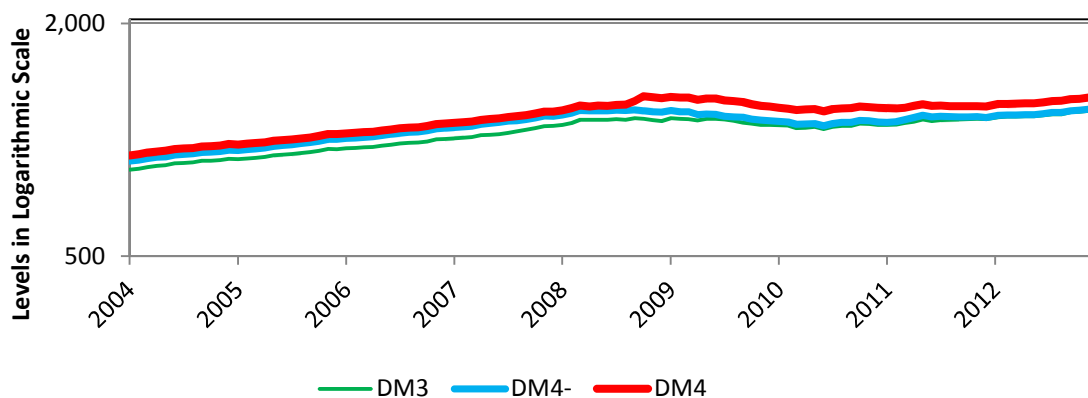
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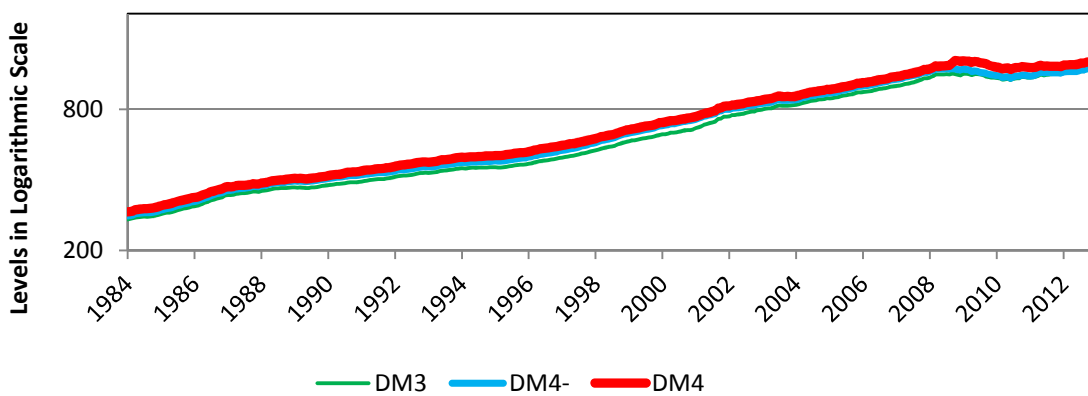
Figure 8 - CFS Divisia Monetary Aggregates Level Charts

DM3, DM4-, and DM4 Levels, Normalized to Equal 100 in Jan. 1967, Logarithmic Scales

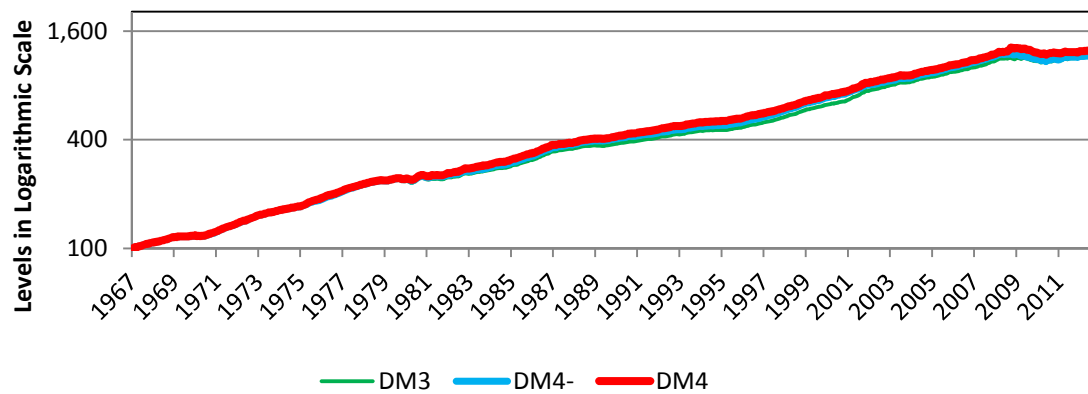
2004 to Present



1984 to Present



1967 to Present





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**Figure 9 - Components of All CFS Divisia Aggregates
Growth-Rate Weights Used in Latest Month (December 2012)**

	Divisia M1	Divisia M2M	Divisia M2M	Divisia M2	Divisia ALL	Divisia M3	Divisia M4-	Divisia M4
Currency	33.0%	11.5%	9.7%	10.8%	9.2%	7.4%	7.0%	6.3%
Traveler's Checks	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Demand Deposits (Sweeps Adjusted)	45.4%	15.8%	13.4%	14.9%	12.7%	10.2%	9.6%	8.7%
OCDs at Commercial Banks (Sweeps Adjusted)	12.1%	4.2%	3.6%	4.0%	3.4%	2.7%	2.6%	2.3%
OCDs at Thrift Institutions (Sweeps Adjusted)	9.3%	3.2%	2.7%	3.1%	2.6%	2.1%	2.0%	1.8%
Savings Deposits at Commercial Banks (Sweeps Adjusted)		50.5%	42.7%	47.5%	40.5%	32.6%	30.7%	27.8%
Savings Deposits at Thrift Institutions (Sweeps Adjusted)		8.0%	6.8%	7.6%	6.5%	5.2%	4.9%	4.4%
Retail Money-Market Funds		6.7%	5.7%	6.3%	5.4%	4.3%	4.1%	3.7%
Small Time Deposits at Commercial Banks				4.4%	3.7%	3.0%	2.8%	2.6%
Small Time Deposits at Thrifts				1.5%	1.3%	1.1%	1.0%	0.9%
Institutional Money-Market Funds			15.4%		14.6%	11.8%	11.1%	10.0%
Large Time Deposits						8.5%	8.0%	7.2%
Repurchase Agreements						11.1%	10.5%	9.5%
Commercial Paper							5.8%	5.2%
T-Bills								9.3%
Sum of Weights	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

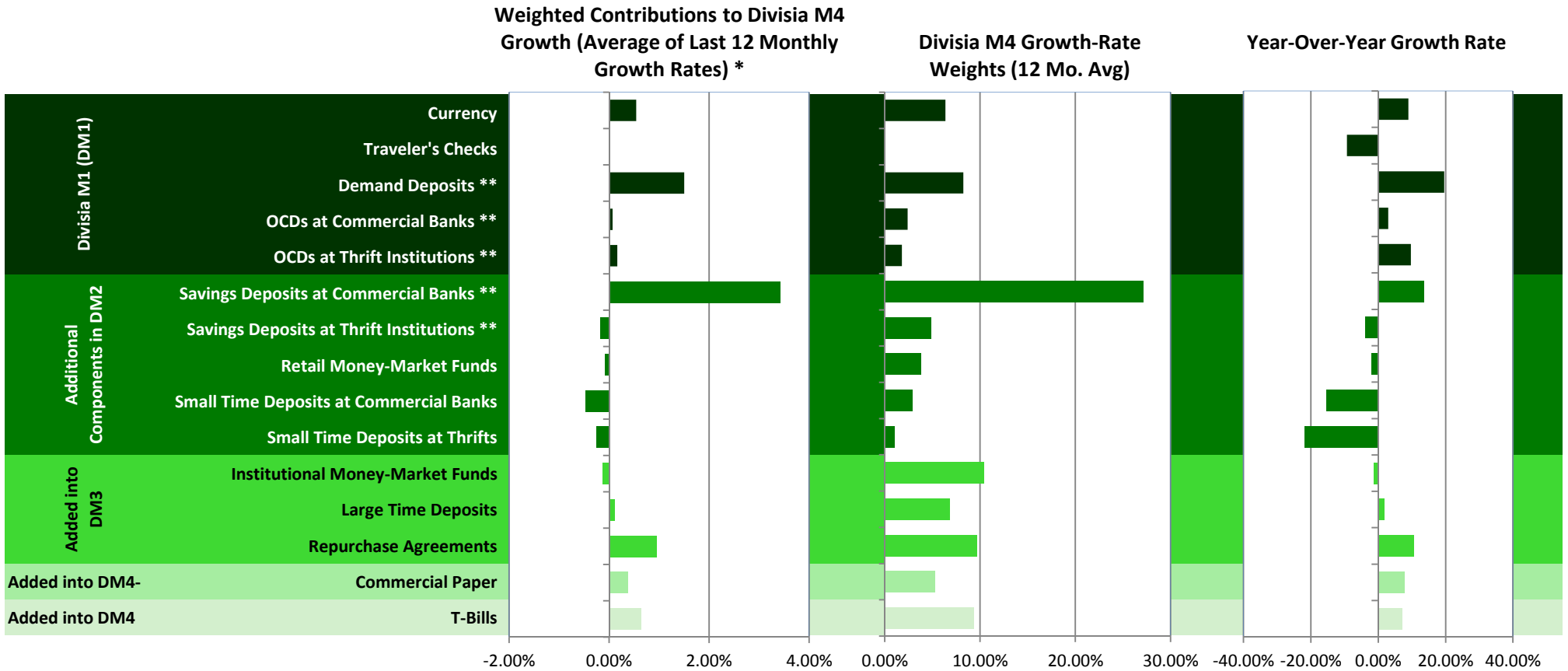
* Sweeps adjusted.



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Figure 10 - Components of CFS Divisia M4 - Highlights for December 2012

Note: Each component's influence on DM4 growth (left chart column) reflects the component's unweighted growth (right chart column) and its growth-rate weight (middle chart column). The background and the bar colors are shaded to show which components are included in which aggregates. The lighter the green, the broader the aggregate.



* Average of last 12 monthly weighted contributions to CFS Divisia M4 growth rates (annual rates). Unlike the other percent calculations in this report, the weighted contributions use continuous percent changes computed from natural logs e.g. $(\ln(x)-\ln(x-1))$.

** Sweeps adjusted.



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Figure 16 - CFS Divisia M4 Quarterly Growth Triangle

Recent Quarterly History (Compound Annual Rates of Change)

This triangular report design was originated by Federal Reserve Bank of St. Louis to show seasonally adjusted annualized growth rates for a variety of time periods.

Terminal Period	Initial Period																			
	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	
Q2 2008	4.7																			1,222.77
Q3 2008	5.3	6.0																		1,240.74
Q4 2008	8.8	11.0	16.1																	1,288.04
Q1 2009	6.4	7.0	7.6	-0.4																1,286.74
Q2 2009	4.4	4.3	3.7	-2.0	-3.5															1,275.38
Q3 2009	2.7	2.3	1.4	-3.1	-4.4	-5.3														1,258.08
Q4 2009	0.8	0.2	-1.0	-4.8	-6.3	-7.6	-9.8													1,225.93
Q1 2010	-0.3	-1.0	-2.1	-5.4	-6.6	-7.6	-8.8	-7.7												1,201.75
Q2 2010	-0.5	-1.2	-2.2	-4.9	-5.8	-6.4	-6.7	-5.1	-2.5											1,194.20
Q3 2010	-0.2	-0.7	-1.5	-3.8	-4.3	-4.5	-4.3	-2.4	0.4	3.3										1,204.01
Q4 2010	0.2	-0.3	-1.0	-2.9	-3.3	-3.2	-2.8	-1.0	1.4	3.4	3.4									1,214.14
Q1 2011	0.0	-0.5	-1.1	-2.8	-3.1	-3.1	-2.7	-1.2	0.5	1.5	0.6	-2.2								1,207.39
Q2 2011	0.5	0.1	-0.4	-1.9	-2.1	-1.9	-1.4	0.1	1.7	2.8	2.6	2.2	6.8							1,227.41
Q3 2011	0.3	0.0	-0.5	-1.9	-2.0	-1.9	-1.4	-0.2	1.1	1.9	1.5	0.9	2.5	-1.6						1,222.40
Q4 2011	0.3	0.0	-0.5	-1.8	-1.9	-1.7	-1.3	-0.2	0.9	1.5	1.1	0.6	1.5	-1.0	-0.4					1,221.19
Q1 2012	0.6	0.3	-0.1	-1.2	-1.3	-1.1	-0.6	0.4	1.5	2.1	1.9	1.6	2.5	1.2	2.6	5.6				1,238.03
Q2 2012	0.7	0.5	0.1	-1.0	-1.0	-0.8	-0.4	0.6	1.6	2.1	1.9	1.7	2.5	1.4	2.5	3.9	2.2			1,244.94
Q3 2012	1.0	0.8	0.5	-0.5	-0.5	-0.2	0.2	1.1	2.1	2.6	2.5	2.4	3.2	2.4	3.5	4.8	4.4	6.6		1,265.06
Q4 2012	1.4	1.2	0.9	0.0	0.0	0.3	0.7	1.7	2.6	3.1	3.1	3.0	3.8	3.3	4.3	5.5	5.5	7.1	7.6	1,288.36

How to Read this Table:

To find a growth rate for a particular date range, find the column that contains the start quarter; then find the row that contains the end quarter of the date range. The cell where they intersect represents the annualized growth rate for that time period. For example, the last row contains the growth rates ending in the most recent quarter for each starting quarter going back 4 3/4 years. The outer diagonal shows the growth rates that are the quarter-over-quarter rates for the last few years. Red and green shades highlight the largest negative and positive growth rates.

Quarterly Data Highlights:

- In the last quarter, CFS Divisia M4 grew by 7.6% (seasonally adjusted annual rate).
- In the last year, CFS Divisia M4 grew by 5.5% (seasonally adjusted annual rate).
- In the last 2 years, CFS Divisia M4 grew by 3.0% (seasonally adjusted annual rate).
- In the last 3 years, CFS Divisia M4 grew by 1.7% (seasonally adjusted annual rate).
- In the last 4 years, CFS Divisia M4 grew by 0.0% (seasonally adjusted annual rate).



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Figure 11 - Components of CFS Divisia M4 (Asset Levels in Billions of Dollars)

	Divisia M1 (DM1)					Additional Components in DM2					Additional Components in DM3			Added into DM4-	Added into DM4
	Currency	Traveler's Checks	Demand Deposits *	OCDs at Commercial Banks *	OCDs at Thrift Institutions *	Savings Deposits at Commercial Banks *	Savings Deposits at Thrift Institutions *	Retail Money-Market Funds	Small Time Deposits at Commercial Banks	Small Time Deposits at Thrifts	Institutional Money-Market Funds	Large Time Deposits	Repurchase Agreements	Commercial Paper	T-Bills
Nov-10	914	5	957	448	301	3,702	772	678	674	275	1,923	1,748	1,854	1,055	1,776
Dec-10	918	5	974	444	303	3,745	777	673	657	271	1,896	1,723	1,783	1,037	1,797
Jan-11	923	5	999	439	306	3,784	793	672	644	266	1,849	1,718	1,771	978	1,831
Feb-11	930	5	999	440	308	3,824	806	665	635	263	1,825	1,719	1,786	1,031	1,703
Mar-11	939	5	1,003	439	309	3,861	819	663	624	260	1,847	1,732	1,817	1,076	1,625
Apr-11	948	5	1,019	426	310	3,910	821	659	615	257	1,874	1,753	1,849	1,168	1,613
May-11	956	5	1,035	430	307	3,935	833	657	604	254	1,894	1,782	1,935	1,175	1,563
Jun-11	963	5	1,046	429	303	4,011	834	659	593	251	1,869	1,737	1,784	1,171	1,550
Jul-11	969	5	1,114	420	298	4,133	841	658	581	247	1,836	1,663	1,790	1,138	1,519
Aug-11	976	4	1,221	411	296	4,220	845	671	569	243	1,747	1,550	1,820	1,091	1,479
Sep-11	982	4	1,241	405	294	4,244	846	665	559	239	1,772	1,548	1,802	1,029	1,496
Oct-11	986	4	1,254	401	296	4,278	853	669	550	235	1,767	1,528	1,787	1,019	1,513
Nov-11	993	4	1,265	399	296	4,318	860	664	542	232	1,757	1,501	1,795	993	1,509
Dec-11	1,000	4	1,275	397	295	4,354	864	662	537	229	1,765	1,493	1,734	938	1,537
Jan-12	1,010	4	1,317	398	298	4,434	871	659	534	223	1,763	1,485	1,774	976	1,570
Feb-12	1,020	4	1,287	403	307	4,506	857	646	533	213	1,747	1,481	1,796	964	1,573
Mar-12	1,029	4	1,284	404	309	4,543	866	640	525	208	1,752	1,474	1,778	937	1,591
Apr-12	1,035	4	1,281	394	301	4,604	878	638	515	206	1,738	1,472	1,780	951	1,589
May-12	1,039	4	1,255	394	304	4,656	893	635	506	203	1,734	1,457	1,743	971	1,597
Jun-12	1,045	4	1,273	384	303	4,697	895	630	498	201	1,723	1,472	1,789	966	1,619
Jul-12	1,051	4	1,381	406	314	4,646	889	626	491	197	1,728	1,496	1,787	1,000	1,620
Aug-12	1,058	4	1,393	405	316	4,675	891	623	484	194	1,743	1,494	1,734	997	1,651
Sep-12	1,069	4	1,464	401	318	4,694	888	622	477	191	1,755	1,489	1,813	976	1,649
Oct-12	1,078	4	1,490	408	317	4,747	896	624	469	188	1,743	1,477	1,781	968	1,657
Nov-12	1,082	4	1,461	393	317	4,906	829	632	464	182	1,733	1,479	1,819	984	1,678
Dec-12	1,089	4	1,525	409	324	4,942	832	648	455	179	1,745	1,518	1,915	1,010	1,647

Note: Four components are not included, because they ended in Aug. '91 (MMDAs at commercial banks, MMDAs at thrifts, savings deposits at commercial banks excluding MMDAs, savings deposits at thrifts excluding MMDAs).

*Sweeps adjusted.



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Figure 12 - Components of CFS Divisia M4 (Year-Over-Year Growth Rates)

	Divisia M1 (DM1)					Additional Components in DM2					Additional Components in DM3			Added into DM4-	Added into DM4
	Currency	Traveler's Checks	Demand Deposits *	OCDs at Commercial Banks *	OCDs at Thrift Institutions *	Savings Deposits at Commercial Banks *	Savings Deposits at Thrift Institutions *	Retail Money-Market Funds	Small Time Deposits at Commercial Banks	Small Time Deposits at Thrifts	Institutional Money-Market Funds	Large Time Deposits	Repurchase Agreements	Commercial Paper	T-Bills
Nov-10	6.1%	-7.8%	10.8%	-2.1%	4.1%	12.9%	11.3%	-15.3%	-23.9%	-14.9%	-17.0%	-6.7%	20.2%	-11.8%	-3.4%
Dec-10	6.3%	-7.8%	11.0%	-2.5%	3.0%	12.8%	11.5%	-13.5%	-23.9%	-15.3%	-16.0%	-8.7%	14.4%	-9.8%	-1.7%
Jan-11	6.8%	-7.8%	15.0%	-0.8%	1.5%	13.4%	12.5%	-11.5%	-23.2%	-15.8%	-16.6%	-8.6%	9.5%	-12.0%	3.0%
Feb-11	7.2%	-8.0%	14.0%	-2.6%	2.6%	13.0%	11.9%	-11.2%	-22.8%	-15.6%	-15.2%	-7.7%	10.7%	-7.1%	0.2%
Mar-11	7.7%	-8.0%	14.8%	-4.8%	3.7%	13.4%	12.1%	-9.1%	-22.5%	-15.3%	-11.1%	-5.2%	18.2%	-1.5%	-8.3%
Apr-11	8.2%	-6.1%	15.0%	-0.5%	1.9%	12.6%	11.8%	-8.1%	-22.2%	-14.9%	-5.8%	-1.6%	10.8%	8.3%	-11.5%
May-11	8.7%	-6.1%	17.5%	-0.3%	-0.3%	11.7%	11.8%	-8.2%	-22.0%	-14.6%	-2.4%	3.4%	8.6%	11.2%	-14.5%
Jun-11	9.1%	-6.3%	17.1%	-2.1%	0.3%	13.3%	11.1%	-8.1%	-22.0%	-14.5%	-2.3%	0.9%	11.6%	12.4%	-14.4%
Jul-11	9.3%	-6.3%	24.8%	-4.0%	-1.5%	16.2%	11.8%	-7.3%	-22.1%	-14.7%	-4.4%	-5.0%	2.0%	6.8%	-16.1%
Aug-11	9.3%	-6.4%	34.6%	-6.0%	-2.2%	17.6%	11.6%	-4.0%	-22.2%	-15.3%	-9.6%	-11.9%	0.6%	2.5%	-17.7%
Sep-11	9.2%	-6.4%	35.4%	-8.6%	-2.3%	16.9%	11.3%	-3.8%	-21.7%	-15.4%	-8.6%	-11.8%	3.1%	-6.8%	-16.6%
Oct-11	8.7%	-6.4%	36.2%	-9.4%	-3.0%	15.9%	11.0%	-2.3%	-20.7%	-15.7%	-8.3%	-13.1%	-5.8%	-5.4%	-16.2%
Nov-11	8.7%	-8.5%	32.2%	-11.0%	-1.6%	16.7%	11.5%	-2.2%	-19.6%	-15.7%	-8.6%	-14.1%	-3.2%	-5.8%	-15.0%
Dec-11	9.0%	-8.5%	30.9%	-10.4%	-2.3%	16.2%	11.2%	-1.7%	-18.2%	-15.5%	-6.9%	-13.4%	-2.8%	-9.6%	-14.5%
Jan-12	9.4%	-10.6%	31.9%	-9.3%	-2.4%	17.2%	9.8%	-1.9%	-17.0%	-16.3%	-4.7%	-13.6%	0.2%	-0.2%	-14.2%
Feb-12	9.6%	-8.7%	28.9%	-8.3%	-0.2%	17.8%	6.4%	-2.8%	-16.0%	-18.9%	-4.3%	-13.9%	0.6%	-6.5%	-7.6%
Mar-12	9.6%	-10.9%	28.0%	-7.9%	-0.2%	17.7%	5.7%	-3.4%	-15.8%	-20.1%	-5.1%	-14.9%	-2.1%	-12.9%	-2.1%
Apr-12	9.2%	-10.9%	25.7%	-7.6%	-2.8%	17.8%	7.0%	-3.1%	-16.2%	-20.1%	-7.3%	-16.0%	-3.7%	-18.6%	-1.5%
May-12	8.7%	-13.0%	21.3%	-8.4%	-1.0%	18.3%	7.2%	-3.5%	-16.2%	-20.2%	-8.5%	-18.2%	-9.9%	-17.4%	2.2%
Jun-12	8.5%	-11.1%	21.7%	-10.6%	0.0%	17.1%	7.3%	-4.4%	-15.9%	-20.0%	-7.8%	-15.2%	0.3%	-17.5%	4.5%
Jul-12	8.5%	-13.3%	24.0%	-3.3%	5.3%	12.4%	5.7%	-5.0%	-15.5%	-20.3%	-5.9%	-10.1%	-0.2%	-12.1%	6.6%
Aug-12	8.4%	-11.4%	14.0%	-1.3%	6.7%	10.8%	5.4%	-7.2%	-15.1%	-20.0%	-0.3%	-3.7%	-4.7%	-8.7%	11.6%
Sep-12	8.8%	-11.4%	17.9%	-1.1%	8.3%	10.6%	5.0%	-6.5%	-14.7%	-20.0%	-1.0%	-3.8%	0.6%	-5.1%	10.2%
Oct-12	9.3%	-11.4%	18.8%	1.9%	7.2%	11.0%	5.1%	-6.7%	-14.7%	-19.9%	-1.3%	-3.3%	-0.3%	-5.0%	9.5%
Nov-12	8.9%	-9.3%	15.5%	-1.4%	7.1%	13.6%	-3.6%	-4.8%	-14.4%	-21.4%	-1.4%	-1.4%	1.3%	-0.9%	11.2%
Dec-12	8.9%	-9.3%	19.6%	3.0%	9.7%	13.5%	-3.7%	-2.1%	-15.2%	-21.7%	-1.2%	1.7%	10.5%	7.7%	7.2%

Note: Four components are not included, because they ended in Aug. '91 (MMDAs at commercial banks, MMDAs at thrifts, savings deposits at commercial banks excluding MMDAs, savings deposits at thrifts excluding MMDAs).

*Sweeps adjusted.



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Figure 13 - CFS Divisia M4 Growth-Rate Weights (Based on Average of Contemporaneous and Previous Months)

	Divisia M1 (DM1)					Additional Components in DM2					Additional Components in DM3			Added into DM4-	Added into DM4
	Currency	Traveler's Checks	Demand Deposits *	OCDs at Commercial Banks *	OCDs at Thrift Institutions *	Savings Deposits at Commercial Banks *	Savings Deposits at Thrift Institutions *	Retail Money-Market Funds	Small Time Deposits at Commercial Banks	Small Time Deposits at Thrifts	Institutional Money-Market Funds	Large Time Deposits	Repurchase Agreements	Commercial Paper	T-Bills
Nov-10	5.6%	0.0%	5.8%	2.7%	1.8%	22.2%	4.2%	4.2%	3.9%	1.4%	11.7%	9.4%	10.6%	6.0%	10.5%
Dec-10	5.7%	0.0%	6.0%	2.7%	1.8%	22.5%	4.3%	4.2%	3.9%	1.4%	11.7%	9.2%	10.4%	5.8%	10.5%
Jan-11	5.8%	0.0%	6.2%	2.7%	1.8%	22.9%	4.3%	4.2%	3.8%	1.4%	11.6%	8.9%	10.2%	5.6%	10.7%
Feb-11	5.9%	0.0%	6.3%	2.7%	1.8%	23.2%	4.3%	4.2%	3.7%	1.3%	11.4%	8.8%	10.3%	5.6%	10.4%
Mar-11	5.9%	0.0%	6.3%	2.7%	1.8%	23.3%	4.4%	4.1%	3.6%	1.3%	11.4%	8.9%	10.5%	5.9%	9.9%
Apr-11	5.9%	0.0%	6.3%	2.6%	1.8%	23.2%	4.4%	4.0%	3.5%	1.3%	11.4%	9.0%	10.8%	6.2%	9.7%
May-11	5.8%	0.0%	6.3%	2.6%	1.8%	23.0%	4.4%	4.0%	3.4%	1.3%	11.4%	9.1%	11.2%	6.4%	9.5%
Jun-11	5.8%	0.0%	6.3%	2.6%	1.8%	23.3%	4.4%	4.0%	3.3%	1.2%	11.3%	9.1%	11.0%	6.5%	9.3%
Jul-11	5.9%	0.0%	6.6%	2.5%	1.7%	24.0%	4.5%	4.0%	3.3%	1.2%	11.2%	8.7%	10.7%	6.5%	9.2%
Aug-11	6.0%	0.0%	7.1%	2.5%	1.7%	24.7%	4.5%	4.0%	3.3%	1.2%	10.9%	8.0%	10.8%	6.2%	9.0%
Sep-11	6.0%	0.0%	7.6%	2.5%	1.7%	25.2%	4.6%	4.1%	3.2%	1.2%	10.7%	7.5%	10.7%	5.8%	9.1%
Oct-11	6.1%	0.0%	7.7%	2.5%	1.7%	25.4%	4.6%	4.1%	3.2%	1.2%	10.8%	7.2%	10.6%	5.6%	9.2%
Nov-11	6.1%	0.0%	7.8%	2.4%	1.7%	25.7%	4.7%	4.1%	3.2%	1.2%	10.8%	6.8%	10.5%	5.5%	9.3%
Dec-11	6.2%	0.0%	7.9%	2.4%	1.8%	26.0%	4.8%	4.1%	3.1%	1.2%	10.9%	6.3%	10.4%	5.4%	9.4%
Jan-12	6.2%	0.0%	8.0%	2.4%	1.7%	26.3%	4.8%	4.0%	3.1%	1.2%	10.8%	6.3%	10.3%	5.3%	9.5%
Feb-12	6.2%	0.0%	8.0%	2.4%	1.8%	26.5%	4.8%	4.0%	3.1%	1.1%	10.6%	6.7%	10.2%	5.3%	9.3%
Mar-12	6.3%	0.0%	7.9%	2.4%	1.8%	26.7%	4.8%	3.9%	3.1%	1.1%	10.6%	6.8%	10.1%	5.2%	9.3%
Apr-12	6.4%	0.0%	7.9%	2.4%	1.8%	27.0%	4.8%	3.9%	3.0%	1.1%	10.6%	6.7%	9.9%	5.2%	9.4%
May-12	6.5%	0.0%	7.9%	2.4%	1.8%	27.4%	4.9%	3.9%	2.9%	1.0%	10.6%	6.5%	9.6%	5.2%	9.4%
Jun-12	6.5%	0.0%	7.9%	2.4%	1.8%	27.6%	4.9%	3.9%	2.9%	1.0%	10.5%	6.4%	9.5%	5.2%	9.4%
Jul-12	6.4%	0.0%	8.1%	2.4%	1.8%	27.4%	4.9%	3.8%	2.8%	1.0%	10.4%	6.7%	9.6%	5.3%	9.4%
Aug-12	6.4%	0.0%	8.4%	2.4%	1.8%	27.1%	4.9%	3.7%	2.8%	1.0%	10.3%	7.0%	9.5%	5.4%	9.3%
Sep-12	6.4%	0.0%	8.5%	2.4%	1.8%	27.0%	4.9%	3.7%	2.7%	1.0%	10.3%	7.2%	9.4%	5.4%	9.3%
Oct-12	6.4%	0.0%	8.8%	2.4%	1.8%	27.1%	4.9%	3.7%	2.7%	1.0%	10.3%	7.2%	9.2%	5.3%	9.3%
Nov-12	6.4%	0.0%	8.7%	2.4%	1.8%	27.6%	4.7%	3.7%	2.6%	0.9%	10.2%	7.2%	9.2%	5.2%	9.4%
Dec-12	6.3%	0.0%	8.7%	2.3%	1.8%	27.8%	4.4%	3.7%	2.6%	0.9%	10.0%	7.2%	9.5%	5.2%	9.3%
12 Mo Chg.	0.1%	0.0%	0.8%	-0.1%	0.0%	1.8%	-0.3%	-0.4%	-0.6%	-0.3%	-0.8%	0.9%	-0.9%	-0.2%	-0.1%

Note: The growth-rate Divisia weights are the arithmetic average of the component's contemporaneous expenditure share and the asset's expenditure share for the prior month. The expenditure shares are each component's share in the sum of the products of each component's quantity and user-cost price.

*Sweeps adjusted.



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Figure 14 - Weighted Contributions to Divisia M4 Growth (12-Month Moving Average of Monthly Contributions at Annual Rates)

	Divisia M1 (DM1)					Additional Components in DM2					Additional Components in DM3			Added into DM4-	Added into DM4
	Currency	Traveler's Checks	Demand Deposits *	OCDs at Commercial Banks *	OCDs at Thrift Institutions *	Savings Deposits at Commercial Banks *	Savings Deposits at Thrift Institutions *	Retail Money Market Funds	Small Time Deposits at Commercial Banks	Small Time Deposits at Thrifts	Institutional Money-Market Funds	Large Time Deposits	Repurchase Agreements	Commercial Paper	T-Bills
Nov-10	0.3%	0.0%	0.6%	-0.1%	0.1%	2.6%	0.4%	-0.8%	-1.2%	-0.2%	-2.5%	-0.7%	1.8%	-0.8%	-0.4%
Dec-10	0.3%	0.0%	0.6%	-0.1%	0.0%	2.6%	0.4%	-0.7%	-1.2%	-0.2%	-2.3%	-0.9%	1.3%	-0.6%	-0.2%
Jan-11	0.4%	0.0%	0.8%	0.0%	0.0%	2.7%	0.5%	-0.6%	-1.1%	-0.2%	-2.3%	-0.9%	0.9%	-0.7%	0.3%
Feb-11	0.4%	0.0%	0.8%	-0.1%	0.0%	2.7%	0.5%	-0.5%	-1.1%	-0.2%	-2.1%	-0.8%	1.0%	-0.4%	0.0%
Mar-11	0.4%	0.0%	0.8%	-0.1%	0.1%	2.8%	0.5%	-0.4%	-1.0%	-0.2%	-1.5%	-0.5%	1.6%	-0.1%	-0.9%
Apr-11	0.5%	0.0%	0.8%	0.0%	0.0%	2.7%	0.5%	-0.4%	-1.0%	-0.2%	-0.7%	-0.2%	1.1%	0.5%	-1.2%
May-11	0.5%	0.0%	1.0%	0.0%	0.0%	2.5%	0.5%	-0.4%	-1.0%	-0.2%	-0.3%	0.3%	0.9%	0.6%	-1.6%
Jun-11	0.5%	0.0%	1.0%	-0.1%	0.0%	2.8%	0.5%	-0.4%	-1.0%	-0.2%	-0.3%	0.1%	1.1%	0.7%	-1.5%
Jul-11	0.5%	0.0%	1.4%	-0.1%	0.0%	3.5%	0.5%	-0.3%	-0.9%	-0.2%	-0.5%	-0.5%	0.2%	0.4%	-1.7%
Aug-11	0.5%	0.0%	1.9%	-0.2%	0.0%	3.8%	0.5%	-0.2%	-0.9%	-0.2%	-1.1%	-1.1%	0.1%	0.1%	-1.9%
Sep-11	0.5%	0.0%	2.0%	-0.2%	0.0%	3.7%	0.5%	-0.2%	-0.9%	-0.2%	-1.0%	-1.0%	0.3%	-0.4%	-1.8%
Oct-11	0.5%	0.0%	2.1%	-0.3%	-0.1%	3.5%	0.5%	-0.1%	-0.8%	-0.2%	-1.0%	-1.2%	-0.6%	-0.3%	-1.7%
Nov-11	0.5%	0.0%	1.9%	-0.3%	0.0%	3.7%	0.5%	-0.1%	-0.8%	-0.2%	-1.0%	-1.2%	-0.3%	-0.3%	-1.6%
Dec-11	0.5%	0.0%	1.9%	-0.3%	0.0%	3.6%	0.5%	-0.1%	-0.7%	-0.2%	-0.8%	-1.1%	-0.3%	-0.6%	-1.5%
Jan-12	0.5%	0.0%	2.0%	-0.2%	0.0%	3.9%	0.4%	-0.1%	-0.6%	-0.2%	-0.5%	-1.1%	0.0%	0.0%	-1.5%
Feb-12	0.6%	0.0%	1.8%	-0.2%	0.0%	4.0%	0.3%	-0.1%	-0.6%	-0.3%	-0.5%	-1.2%	0.1%	-0.4%	-0.8%
Mar-12	0.6%	0.0%	1.7%	-0.2%	0.0%	4.0%	0.3%	-0.1%	-0.6%	-0.3%	-0.6%	-1.3%	-0.2%	-0.8%	-0.2%
Apr-12	0.5%	0.0%	1.6%	-0.2%	0.0%	4.1%	0.3%	-0.1%	-0.6%	-0.3%	-0.8%	-1.4%	-0.4%	-1.2%	-0.1%
May-12	0.5%	0.0%	1.3%	-0.2%	0.0%	4.3%	0.3%	-0.1%	-0.6%	-0.3%	-1.0%	-1.6%	-1.1%	-1.1%	0.2%
Jun-12	0.5%	0.0%	1.4%	-0.3%	0.0%	4.1%	0.3%	-0.2%	-0.5%	-0.3%	-0.9%	-1.3%	0.0%	-1.1%	0.4%
Jul-12	0.5%	0.0%	1.6%	-0.1%	0.1%	3.0%	0.3%	-0.2%	-0.5%	-0.3%	-0.7%	-0.8%	0.0%	-0.8%	0.6%
Aug-12	0.5%	0.0%	1.1%	0.0%	0.1%	2.7%	0.3%	-0.3%	-0.5%	-0.3%	0.0%	-0.3%	-0.5%	-0.5%	1.0%
Sep-12	0.5%	0.0%	1.4%	0.0%	0.1%	2.7%	0.2%	-0.3%	-0.5%	-0.2%	-0.1%	-0.3%	0.0%	-0.3%	0.9%
Oct-12	0.6%	0.0%	1.4%	0.0%	0.1%	2.8%	0.2%	-0.3%	-0.5%	-0.2%	-0.1%	-0.2%	0.0%	-0.3%	0.9%
Nov-12	0.5%	0.0%	1.2%	0.0%	0.1%	3.4%	-0.2%	-0.2%	-0.4%	-0.3%	-0.1%	-0.1%	0.1%	-0.1%	1.0%
Dec-12	0.5%	0.0%	1.5%	0.1%	0.2%	3.4%	-0.2%	-0.1%	-0.5%	-0.3%	-0.1%	0.1%	1.0%	0.4%	0.7%

Note: This table shows the contribution of each component over the trailing 12 months. The Divisia index is a chain-weighted calculation, based on growth-rates and weights relative to the prior months. This table shows the 12-month moving average of the monthly contributions. These calculations on this page are based on continuous annual percent changes (using natural logs).

*Sweeps adjusted.



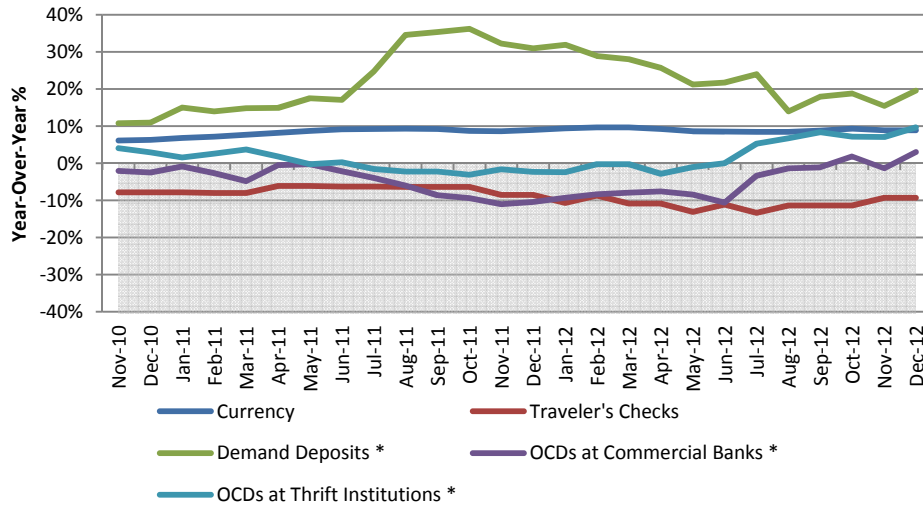
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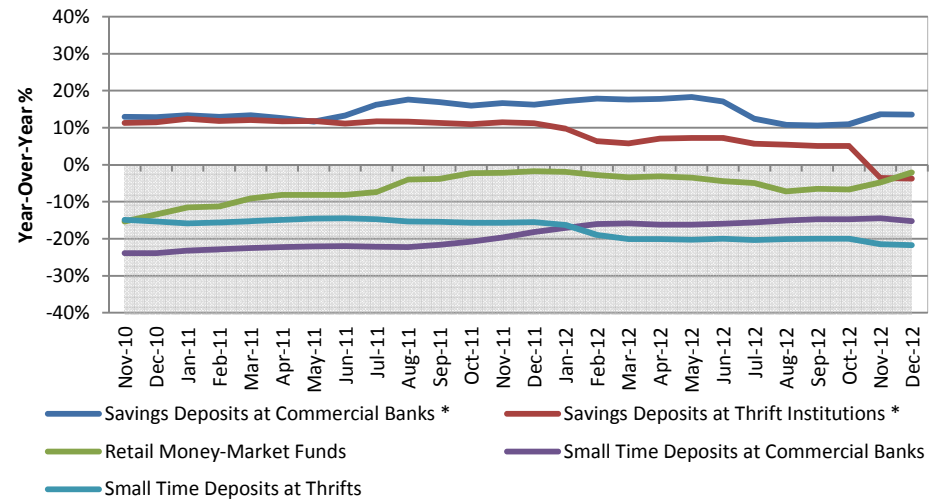
Figure 15 - Unweighted Components of CFS Divisia M4 (Year-Over-Year Growth Rates)

All charts share the same vertical axis range for comparison purposes. Gray area highlights negative growth.

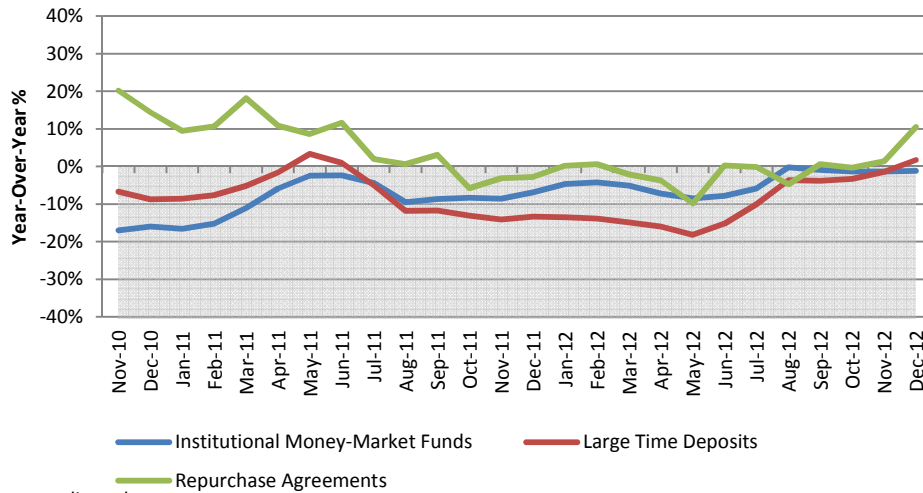
DM1 Components



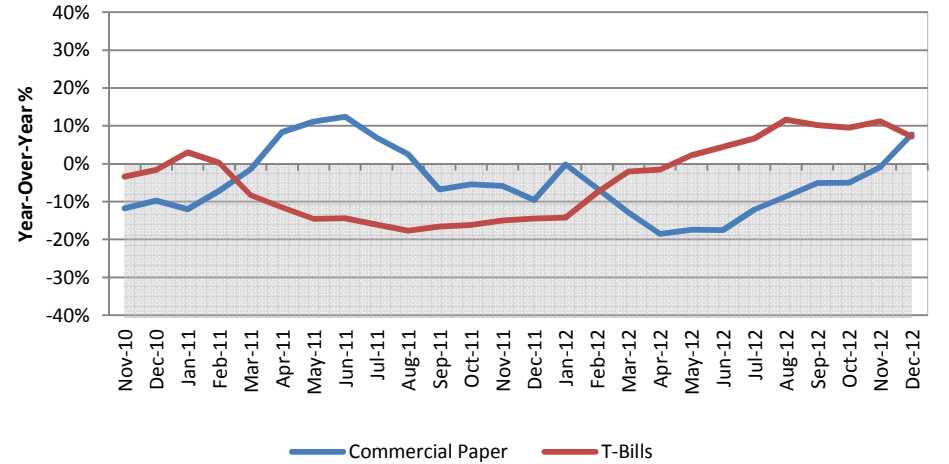
Additional DM2 Components (That Are Not in DM1)



Additional DM3 Components (That Are Not in DM2)



Additional DM4 Components (That Are Not in DM3)



* Sweeps adjusted.



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Introduction to CFS Divisia Monetary Aggregates

Conventional money-supply measures are not adjusted to account for differences in the degree to which various assets actually serve as money, and hence implicitly assume that all assets in the aggregates contribute equally to the economy's monetary services. This assumption has not been reasonable since monetary assets began yielding interest over a half century ago. Divisia measures, using a mathematical formula derived by the famous 20th-century French economist, Francois Divisia, are a weighted aggregate, providing a more accurate picture of what is really happening to the economy's monetary service flow. The growth-rate weights for each component asset are based on their expenditure shares, with expenditures within the shares evaluated with user-cost pricing. The user-cost prices measure the interest foregone by owning the asset in question, instead of the higher, expected, benchmark rate, defined to be the rate of return on pure investment capital, providing no monetary services.

When their components are properly weighted, the broadest monetary aggregates (DM3, DM4-, and DM4) are almost always the best monetary aggregates, with DM4 commonly being the most useful of the three. As a result, this report focuses on the broadest, CFS Divisia aggregate (DM4). See W. A. Barnett, "The Optimal Level of Monetary Aggregation," *Journal of Money, Credit, and Banking*, November 1982.⁶ But we nevertheless provide the narrower CFS Divisia aggregates for comparison.

The CFS Divisia indexes in this release were developed by Professor William A. Barnett, based on his decades of work studying and refining Divisia measures of money supply, in accordance with the latest advances in economic measurement, modern economic aggregation theory, and state-of-the-art economic index-number theory. The Divisia formula for aggregating over imperfect substitutes was adapted for monetary and financial aggregation by W. A. Barnett in his seminal paper, "Economic Monetary Aggregates: An Application of Index Number and Aggregation Theory," *Journal of Econometrics*, September 1980, pp. 6-10.⁷ For more information about the history and methodology in this large literature, see <http://www.centerforfinancialstability.org/amfm.php>.

We consider the St. Louis Fed's MSI (monetary services index) Divisia aggregates to be an admirable and important contribution to public information, and we are indebted to the St. Louis Fed for helping us develop our Divisia monetary aggregates. Our narrowest Divisia monetary aggregates are similar to the St. Louis Fed's MSI Divisia aggregates, which are available only as narrow aggregates. However, we use a different benchmark interest-rate assumption, based on the recently introduced Bank of Israel formula. Since the Divisia quantity-index formula is relatively robust to the benchmark rate,

⁶ Reprinted in W. A. Barnett and A. Serletis, *The Theory of Monetary Aggregation*, Elsevier, 2000, chapter 7, pp. 125-149. Also see W. A. Barnett, *Getting It Wrong: How Faulty Monetary Statistics Undermine the Fed, the Financial System, and the Economy*, MIT Press, 2012, section 4.4, pp. 143-144.

⁷ Reprinted in W. A. Barnett and A. Serletis, *The Theory of Monetary Aggregation*, chapter 2, pp. 11-48. Also see W. A. Barnett, *Getting It Wrong: How Faulty Monetary Statistics Undermine the Fed, the Financial System, and the Economy*, appendix A, pp. 159-215.



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the CFS narrow Divisia quantity indexes can be expected usually to behave similarly to the St. Louis Fed's MSI Divisia aggregates; but the CFS and St. Louis Fed's corresponding user-cost price aggregates behave very differently. For more information about the St. Louis Fed's MSI, see <http://research.stlouisfed.org/msi/> and <http://research.stlouisfed.org/fred2/release?rid=62&soid=4>.

The broad Divisia monetary aggregates, DM3, DM4-, and DM4, are available only from the CFS, since no other source currently exists for broad Divisia monetary aggregates for the US.

CFS Divisia Resources on the Center for Financial Stability Site

See www.centerforfinancialstability.org/amfm.php for more information about the following topics:

- Introduction to Advances in Monetary and Financial Measurement (Divisia)
- Monetary Data for the US: including methodology, data sources, and key takeaway points
- International Advances in Monetary and Financial Measurement: Divisia and Fisher-ideal monetary aggregates for a vast number of countries throughout the world
- Library: Key articles and books regarding advances in monetary and financial measurement

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CFS balances the big picture and financial market mechanics; serves as a private sector check on government actions; integrates finance, law, and economics; and supplements research with a community of public officials, academics, and market participants.

The organization's website is www.CenterforFinancialStability.org.

For more information about CFS Divisia please contact:

William A. Barnett	(Methodology)	(212) 626-2660	wbarnett@the-cfs.org
Lawrence Goodman	(Application)	(212) 626-2660	lgoodman@the-cfs.org

CFS Divisia Team: Jeff van den Noort (Chief Technology Officer), LeAnn Yee (Manager of Communications), Ryan Mattson (Research Associate), and Jia Liu (Research Associate).

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1120 Avenue of the Americas, 4th Floor New York, NY 10036 T 212.626.2660 www.centerforfinancialstability.org