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### NEWS RELEASE

EMBARGOED UNTIL RELEASE AT 9:00 A.M. EST, WEDNESDAY, JANUARY 22, 2014.

## CFS Divisia Monetary Data for the United States:<sup>1</sup> DECEMBER 2013

### The CFS Featured Broad Divisia Monetary Aggregates in December 2013

- CFS Divisia M4, including Treasuries (DM4) – the broadest and most important measure of money calculated by the Center for Financial Stability – grew by 2.0% in December 2013, on a year-over-year basis. In contrast, CFS Divisia M4 increased by 6.8% in December 2012 over the preceding year.
- The narrower version of the CFS Divisia M4, excluding Treasuries, (DM4-), increased by 2.4% in December 2013 over the year, relative to a year-over-year gain of 6.7% in December 2012.
- CFS Divisia M3 (DM3) advanced by 2.4% year-over-year, relative to an increase of 6.7% in December 2012.

### The Narrow Divisia Monetary Aggregates in December 2013<sup>2</sup>

- CFS Divisia M2 (DM2) advanced by 5.5% year-over-year, relative to an increase of 8.3% in December 2012 over the preceding year.
- CFS Divisia M1 (DM1) advanced by 7.2% year-over-year, relative to an increase of 12.5% in December 2012 over the preceding year.

### Most Significant Factors Influencing CFS Divisia M4 in December 2013

#### *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 1.9% in the last 12 months ending December 2013. Their growth-rate weight was 27.7%. Unweighted, they increased 7.2% 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 0.8% in the last 12 months ending December 2013. Their growth-rate weight was 8.9%. Unweighted, they increased 9.5% in the last 12 months. This component is included in all of the aggregates.
- The third largest positive contributor to growth was currency, contributing an increase of 0.4% in the last 12 months ending December 2013. Its growth-rate weight was 6.4%. Unweighted, it increased 6.4% in the last 12 months. This component is included in all of the aggregates.

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<sup>1</sup> 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.

<sup>2</sup> 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 repurchase agreements, contributing a decrease of 1.7% in the last 12 months ending December 2013. Their growth-rate weight was 9.0%. Unweighted, they decreased 16.6% in the last 12 months. This component is included in DM3, DM4-, and DM4, but not in the narrower aggregates (DM1 and DM2).
- The second largest negative contributor to CFS Divisia M4 growth was commercial banks' small time deposits, contributing a decrease of 0.3% in the last 12 months ending December 2013. Their growth-rate weight was 2.3%. Unweighted, they decreased 12.6% 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 T-bills, contributing a decrease of 0.2% in the last 12 months ending December 2013. Their growth-rate weight was 9.0%. Unweighted, they decreased 2.3% in the last 12 months. This component is included only in the broadest aggregate (DM4).

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The next CFS Divisia M4 data are scheduled to be released at 9:00 AM EST on Wednesday, February 19, 2014.

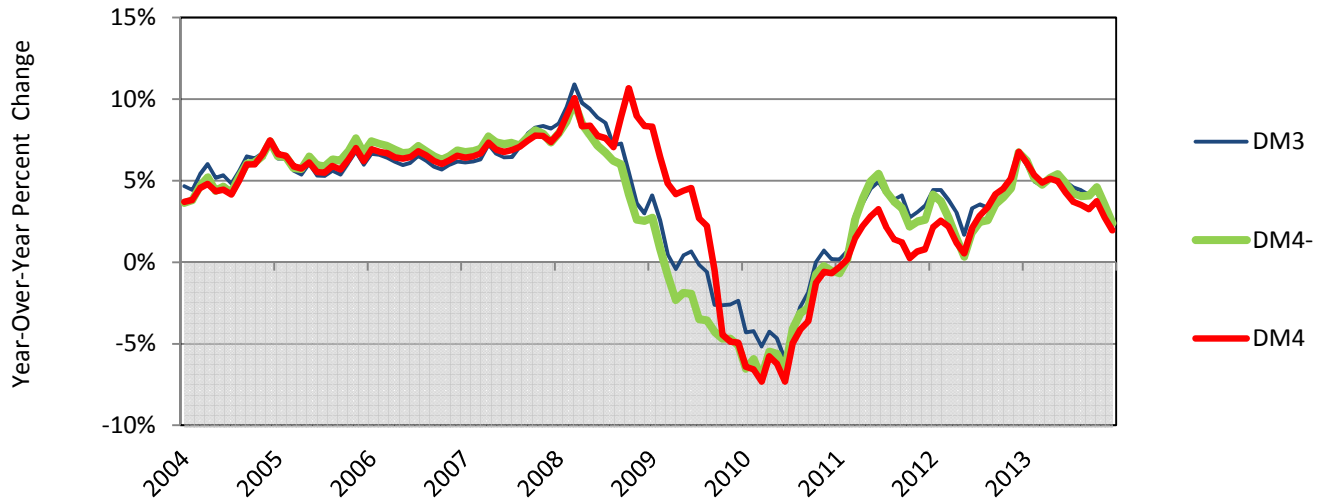
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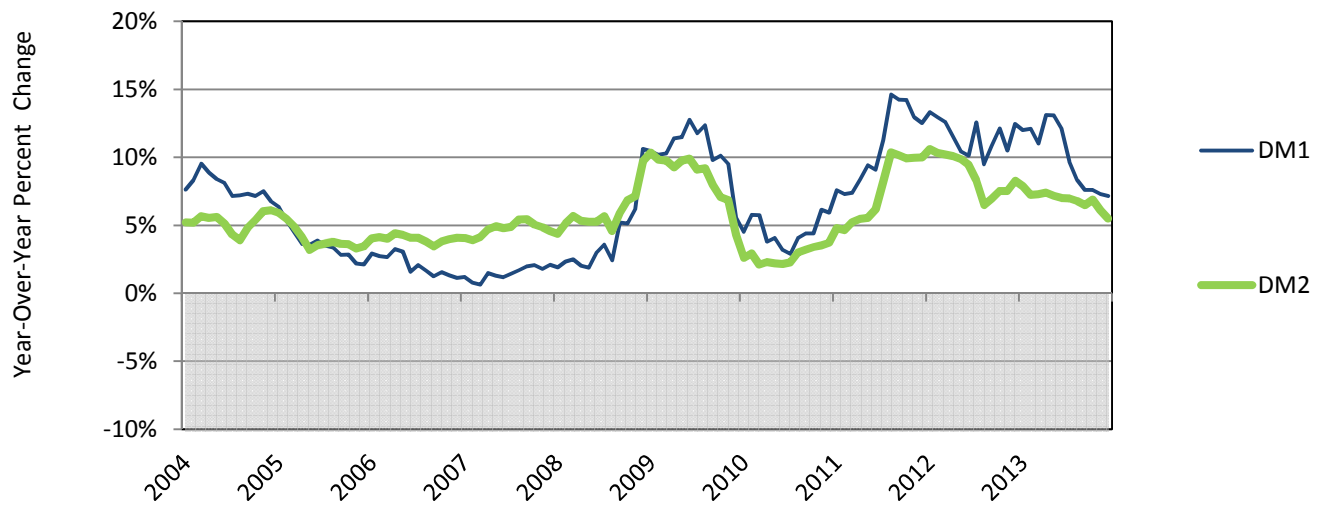
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**Figure 1 - Recent Growth in Broad CFS Divisia Monetary Data<sup>3</sup>**



**Figure 2 - Recent Growth in Narrow CFS Divisia Monetary Data<sup>4</sup>**



<sup>3</sup> 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.

<sup>4</sup> 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) <sup>5</sup>	Divisia M1 (Sweeps Adjusted) <sup>5</sup>
Mar-11	1.4%	2.6%	2.9%	5.2%	7.4%
Apr-11	2.2%	3.9%	3.6%	5.5%	8.4%
May-11	2.8%	4.9%	4.5%	5.6%	9.4%
Jun-11	3.2%	5.4%	4.9%	6.2%	9.1%
Jul-11	2.1%	4.3%	4.2%	8.3%	11.2%
Aug-11	1.4%	3.7%	3.8%	10.4%	14.6%
Sep-11	1.2%	3.3%	4.1%	10.2%	14.2%
Oct-11	0.2%	2.2%	2.7%	9.9%	14.2%
Nov-11	0.7%	2.5%	3.1%	10.0%	12.9%
Dec-11	0.8%	2.6%	3.5%	10.0%	12.5%
Jan-12	2.1%	4.1%	4.4%	10.6%	13.3%
Feb-12	2.5%	3.7%	4.4%	10.3%	12.9%
Mar-12	2.2%	2.7%	3.8%	10.2%	12.6%
Apr-12	1.2%	1.5%	3.1%	10.1%	11.5%
May-12	0.5%	0.3%	1.7%	9.9%	10.4%
Jun-12	2.1%	1.8%	3.3%	9.4%	10.1%
Jul-12	2.9%	2.5%	3.5%	8.3%	12.6%
Aug-12	3.4%	2.6%	3.4%	6.5%	9.5%
Sep-12	4.2%	3.5%	4.1%	7.0%	10.8%
Oct-12	4.5%	4.0%	4.6%	7.5%	12.1%
Nov-12	5.1%	4.5%	4.9%	7.5%	10.5%
Dec-12	6.8%	6.7%	6.7%	8.3%	12.5%
Jan-13	6.1%	6.2%	6.0%	7.9%	12.0%
Feb-13	5.3%	5.1%	4.9%	7.2%	12.1%
Mar-13	4.9%	4.8%	4.7%	7.3%	11.0%
Apr-13	5.1%	5.2%	5.2%	7.4%	13.1%
May-13	5.0%	5.4%	5.4%	7.2%	13.1%
Jun-13	4.3%	4.8%	4.9%	7.0%	12.1%
Jul-13	3.7%	4.2%	4.6%	7.0%	9.7%
Aug-13	3.5%	4.0%	4.4%	6.8%	8.3%
Sep-13	3.3%	4.1%	4.1%	6.5%	7.6%
Oct-13	3.7%	4.6%	4.3%	6.9%	7.6%
Nov-13	2.7%	3.5%	3.3%	6.1%	7.3%
Dec-13	2.0%	2.4%	2.4%	5.5%	7.2%

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

<sup>5</sup> 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-11	1,211	1.4%	0.13%	1,127	2.6%	0.13%	1,106	2.9%	0.12%
Apr-11	1,225	2.2%	0.11%	1,142	3.9%	0.12%	1,115	3.6%	0.11%
May-11	1,234	2.8%	0.10%	1,155	4.9%	0.11%	1,128	4.5%	0.11%
Jun-11	1,224	3.2%	0.10%	1,146	5.4%	0.10%	1,118	4.9%	0.10%
Jul-11	1,226	2.1%	0.09%	1,151	4.3%	0.10%	1,126	4.2%	0.09%
Aug-11	1,225	1.4%	0.09%	1,152	3.7%	0.10%	1,131	3.8%	0.09%
Sep-11	1,225	1.2%	0.09%	1,151	3.3%	0.10%	1,134	4.1%	0.09%
Oct-11	1,224	0.2%	0.09%	1,148	2.2%	0.10%	1,132	2.7%	0.09%
Nov-11	1,226	0.7%	0.09%	1,151	2.5%	0.10%	1,136	3.1%	0.09%
Dec-11	1,222	0.8%	0.08%	1,145	2.6%	0.09%	1,134	3.5%	0.08%
Jan-12	1,233	2.1%	0.09%	1,154	4.1%	0.10%	1,141	4.4%	0.08%
Feb-12	1,236	2.5%	0.09%	1,158	3.7%	0.09%	1,146	4.4%	0.09%
Mar-12	1,238	2.2%	0.10%	1,158	2.7%	0.10%	1,148	3.8%	0.10%
Apr-12	1,239	1.2%	0.10%	1,160	1.5%	0.10%	1,149	3.1%	0.09%
May-12	1,241	0.5%	0.10%	1,159	0.3%	0.10%	1,147	1.7%	0.09%
Jun-12	1,250	2.1%	0.10%	1,167	1.8%	0.10%	1,155	3.3%	0.10%
Jul-12	1,261	2.9%	0.10%	1,179	2.5%	0.10%	1,166	3.5%	0.09%
Aug-12	1,266	3.4%	0.09%	1,182	2.6%	0.09%	1,169	3.4%	0.09%
Sep-12	1,276	4.2%	0.10%	1,191	3.5%	0.10%	1,180	4.1%	0.09%
Oct-12	1,279	4.5%	0.10%	1,194	4.0%	0.10%	1,183	4.6%	0.10%
Nov-12	1,289	5.1%	0.09%	1,203	4.5%	0.09%	1,192	4.9%	0.08%
Dec-12	1,305	6.8%	0.09%	1,222	6.7%	0.09%	1,210	6.7%	0.08%
Jan-13	1,309	6.1%	0.08%	1,226	6.2%	0.08%	1,209	6.0%	0.08%
Feb-13	1,302	5.3%	0.09%	1,217	5.1%	0.08%	1,202	4.9%	0.08%
Mar-13	1,298	4.9%	0.09%	1,213	4.8%	0.09%	1,201	4.7%	0.08%
Apr-13	1,303	5.1%	0.08%	1,220	5.2%	0.08%	1,209	5.2%	0.08%
May-13	1,302	5.0%	0.07%	1,222	5.4%	0.07%	1,209	5.4%	0.07%
Jun-13	1,303	4.3%	0.07%	1,223	4.8%	0.07%	1,213	4.9%	0.06%
Jul-13	1,308	3.7%	0.06%	1,229	4.2%	0.07%	1,219	4.6%	0.06%
Aug-13	1,310	3.5%	0.06%	1,230	4.0%	0.06%	1,220	4.4%	0.06%
Sep-13	1,318	3.3%	0.06%	1,240	4.1%	0.06%	1,229	4.1%	0.06%
Oct-13	1,327	3.7%	0.07%	1,249	4.6%	0.07%	1,235	4.3%	0.07%
Nov-13	1,324	2.7%	0.08%	1,245	3.5%	0.08%	1,231	3.3%	0.07%
Dec-13	1,331	2.0%	0.07%	1,252	2.4%	0.08%	1,239	2.4%	0.07%



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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-11	1,025	5.2%	0.09%	1,306	7.4%	0.02%
Apr-11	1,031	5.5%	0.09%	1,312	8.4%	0.02%
May-11	1,037	5.6%	0.09%	1,331	9.4%	0.02%
Jun-11	1,047	6.2%	0.08%	1,336	9.1%	0.02%
Jul-11	1,069	8.3%	0.08%	1,359	11.2%	0.02%
Aug-11	1,095	10.4%	0.08%	1,415	14.6%	0.02%
Sep-11	1,099	10.2%	0.08%	1,421	14.2%	0.01%
Oct-11	1,102	9.9%	0.07%	1,430	14.2%	0.01%
Nov-11	1,108	10.0%	0.07%	1,439	12.9%	0.01%
Dec-11	1,113	10.0%	0.07%	1,439	12.5%	0.01%
Jan-12	1,121	10.6%	0.06%	1,459	13.3%	0.01%
Feb-12	1,126	10.3%	0.07%	1,467	12.9%	0.01%
Mar-12	1,130	10.2%	0.07%	1,470	12.6%	0.01%
Apr-12	1,135	10.1%	0.07%	1,463	11.5%	0.01%
May-12	1,140	9.9%	0.07%	1,469	10.4%	0.01%
Jun-12	1,146	9.4%	0.07%	1,471	10.1%	0.01%
Jul-12	1,158	8.3%	0.06%	1,530	12.6%	0.01%
Aug-12	1,166	6.5%	0.06%	1,550	9.5%	0.01%
Sep-12	1,175	7.0%	0.06%	1,574	10.8%	0.01%
Oct-12	1,185	7.5%	0.06%	1,603	12.1%	0.01%
Nov-12	1,192	7.5%	0.05%	1,590	10.5%	0.01%
Dec-12	1,205	8.3%	0.05%	1,619	12.5%	0.01%
Jan-13	1,210	7.9%	0.06%	1,634	12.0%	0.01%
Feb-13	1,207	7.2%	0.07%	1,644	12.1%	0.01%
Mar-13	1,212	7.3%	0.07%	1,632	11.0%	0.01%
Apr-13	1,219	7.4%	0.07%	1,655	13.1%	0.01%
May-13	1,222	7.2%	0.06%	1,661	13.1%	0.01%
Jun-13	1,226	7.0%	0.06%	1,649	12.1%	0.01%
Jul-13	1,238	7.0%	0.06%	1,678	9.7%	0.01%
Aug-13	1,245	6.8%	0.06%	1,679	8.3%	0.01%
Sep-13	1,251	6.5%	0.06%	1,694	7.6%	0.01%
Oct-13	1,267	6.9%	0.06%	1,725	7.6%	0.01%
Nov-13	1,264	6.1%	0.07%	1,706	7.3%	0.01%
Dec-13	1,271	5.5%	0.07%	1,735	7.2%	0.01%



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**Figure 6 - Components of CFS Divisia M4 - Highlights for December 2013**

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
<b>DM1</b>			
Currency	0.4%	6.4%	6.4%
Traveler's Checks	0.0%	0.0%	-7.9%
Demand Deposits **	0.8%	8.9%	9.5%
OCDs at Commercial Banks **	0.0%	2.3%	1.9%
OCDs at Thrift Institutions **	0.1%	1.8%	5.6%
<b>Added into DM2</b>			
Savings Deposits at Commercial Banks **	1.9%	27.7%	7.2%
Savings Deposits at Thrift Institutions **	0.3%	4.6%	7.7%
Retail Money-Market Funds	0.0%	3.6%	-0.2%
Small Time Deposits at Commercial Banks	-0.3%	2.3%	-12.6%
Small Time Deposits at Thrifts	-0.2%	0.8%	-20.2%
<b>Added into DM3</b>			
Institutional Money-Market Funds	0.2%	10.0%	2.1%
Large Time Deposits	0.4%	8.1%	4.6%
Repurchase Agreements	-1.7%	9.0%	-16.6%
<b>Added into DM4-</b>			
Commercial Paper	0.1%	5.3%	2.8%
<b>Added into DM4</b>			
T-Bills	-0.2%	9.0%	-2.3%

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 1.9% in the last 12 months ending December 2013. Their growth-rate weight was 27.7%. Unweighted, they increased 7.2% 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 0.8% in the last 12 months ending December 2013. Their growth-rate weight was 8.9%. Unweighted, they increased 9.5% in the last 12 months. This component is included in all of the aggregates.

The third largest positive contributor to growth was currency, contributing an increase of 0.4% in the last 12 months ending December 2013. Its growth-rate weight was 6.4%. Unweighted, it increased 6.4% in the last 12 months. This component is included in all of the aggregates.

**Components That Are Pulling CFS Divisia M4 Down**

The largest negative contributor to CFS Divisia M4 growth was repurchase agreements, contributing a decrease of 1.7% in the last 12 months ending December 2013. Their growth-rate weight was 9.0%. Unweighted, they decreased 16.6% in the last 12 months. This component is included in DM3, DM4-, and DM4, but not in the narrower aggregates (DM1 and DM2).

The second largest negative contributor to CFS Divisia M4 growth was commercial banks' small time deposits, contributing a decrease of 0.3% in the last 12 months ending December 2013. Their growth-rate weight was 2.3%. Unweighted, they decreased 12.6% 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 T-bills, contributing a decrease of 0.2% in the last 12 months ending December 2013. Their growth-rate weight was 9.0%. Unweighted, they decreased 2.3% in the last 12 months. This component is included only in the broadest aggregate (DM4).



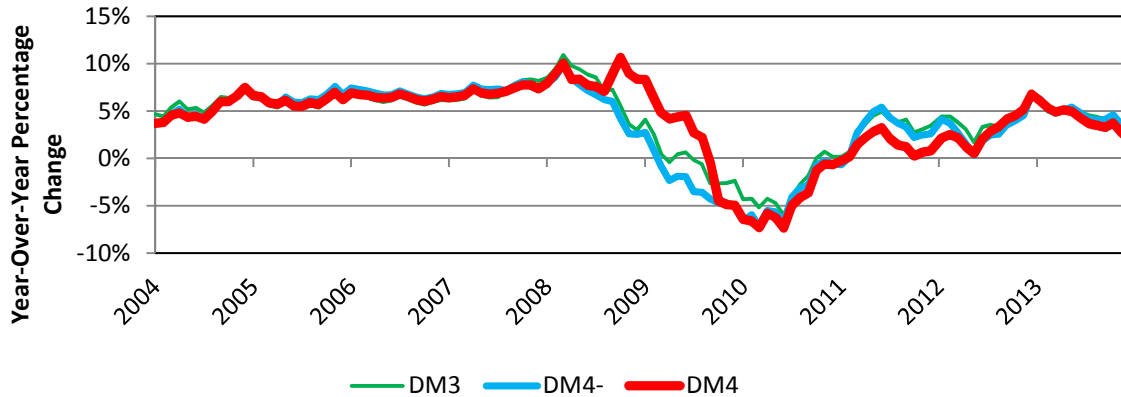
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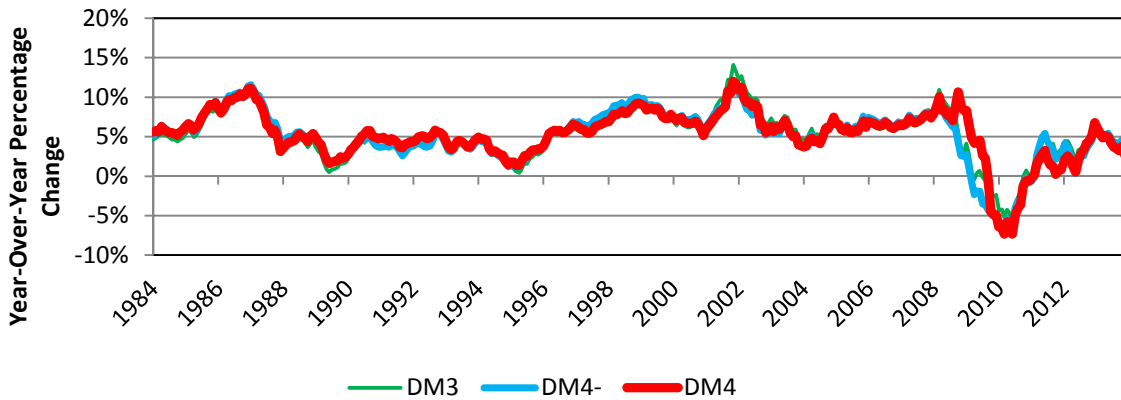
**Figure 7 - CFS Divisia Monetary Growth Charts**

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

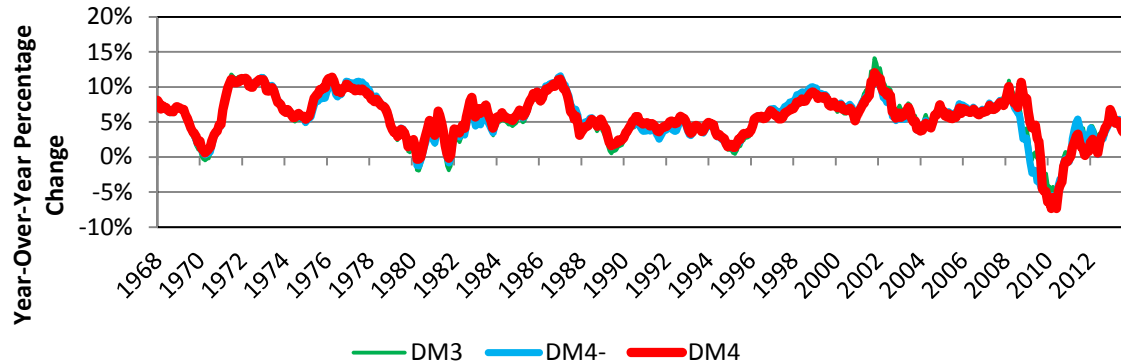
### 2004 to Present



### 1984-Present



### 1968 to Present







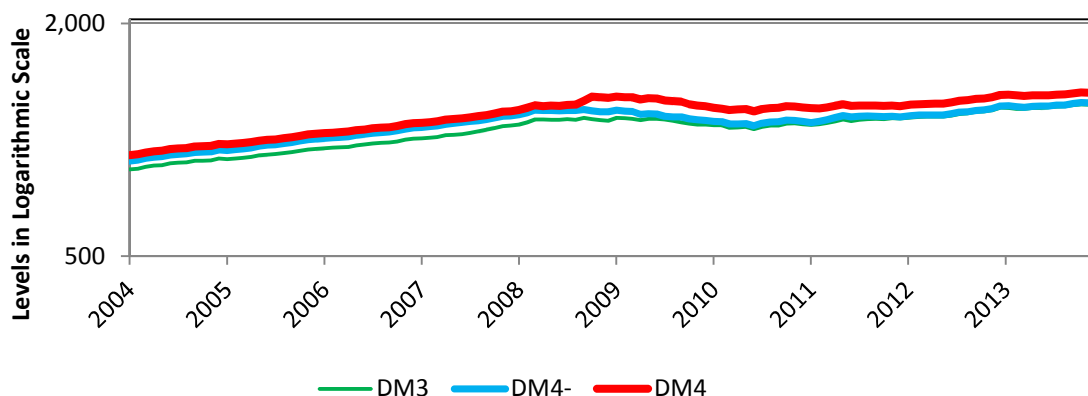
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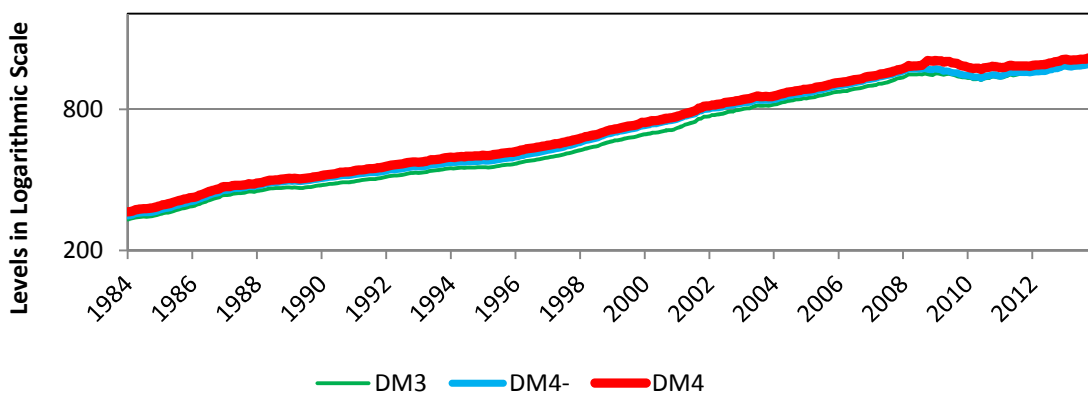
**Figure 8 - CFS Divisia Monetary Aggregates Level Charts**

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

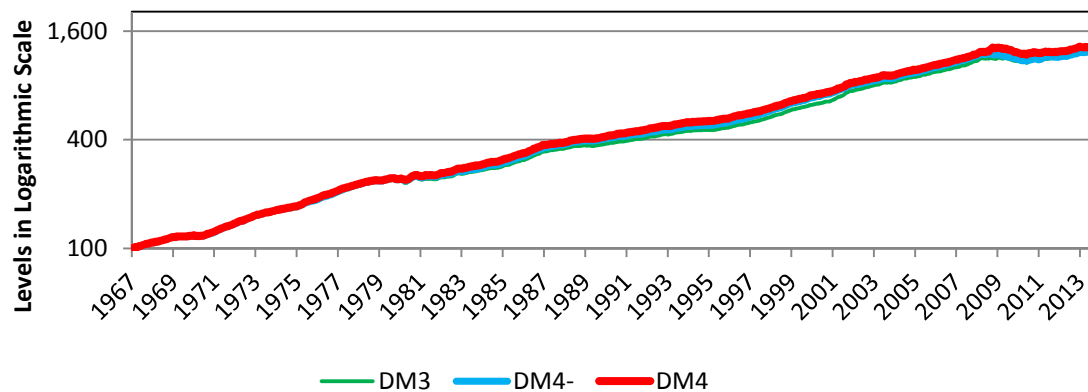
## 2004 to Present



## 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 2013)**

	Divisia M1	Divisia M2M	Divisia M2M	Divisia M2	Divisia ALL	Divisia M3	Divisia M4-	Divisia M4
Currency	32.9%	11.6%	9.9%	11.1%	9.5%	7.6%	7.2%	6.6%
Traveler's Checks	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Demand Deposits (Sweeps Adjusted)	46.2%	16.4%	13.9%	15.6%	13.3%	10.7%	10.1%	9.2%
OCDs at Commercial Banks (Sweeps Adjusted)	11.6%	4.1%	3.5%	3.9%	3.3%	2.7%	2.5%	2.3%
OCDs at Thrift Institutions (Sweeps Adjusted)	9.2%	3.3%	2.8%	3.1%	2.6%	2.1%	2.0%	1.8%
Savings Deposits at Commercial Banks (Sweeps Adjusted)		49.9%	42.3%	47.5%	40.6%	32.7%	30.8%	28.1%
Savings Deposits at Thrift Institutions (Sweeps Adjusted)		8.3%	7.0%	7.9%	6.7%	5.4%	5.1%	4.7%
Retail Money-Market Funds		6.4%	5.4%	6.1%	5.2%	4.2%	4.0%	3.6%
Small Time Deposits at Commercial Banks				3.7%	3.1%	2.5%	2.4%	2.2%
Small Time Deposits at Thrifts				1.2%	1.0%	0.8%	0.7%	0.7%
Institutional Money-Market Funds			15.2%		14.5%	11.7%	11.0%	10.1%
Large Time Deposits						9.6%	9.0%	8.2%
Repurchase Agreements						9.9%	9.3%	8.5%
Commercial Paper							6.0%	5.4%
T-Bills								8.7%
Sum of Weights	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

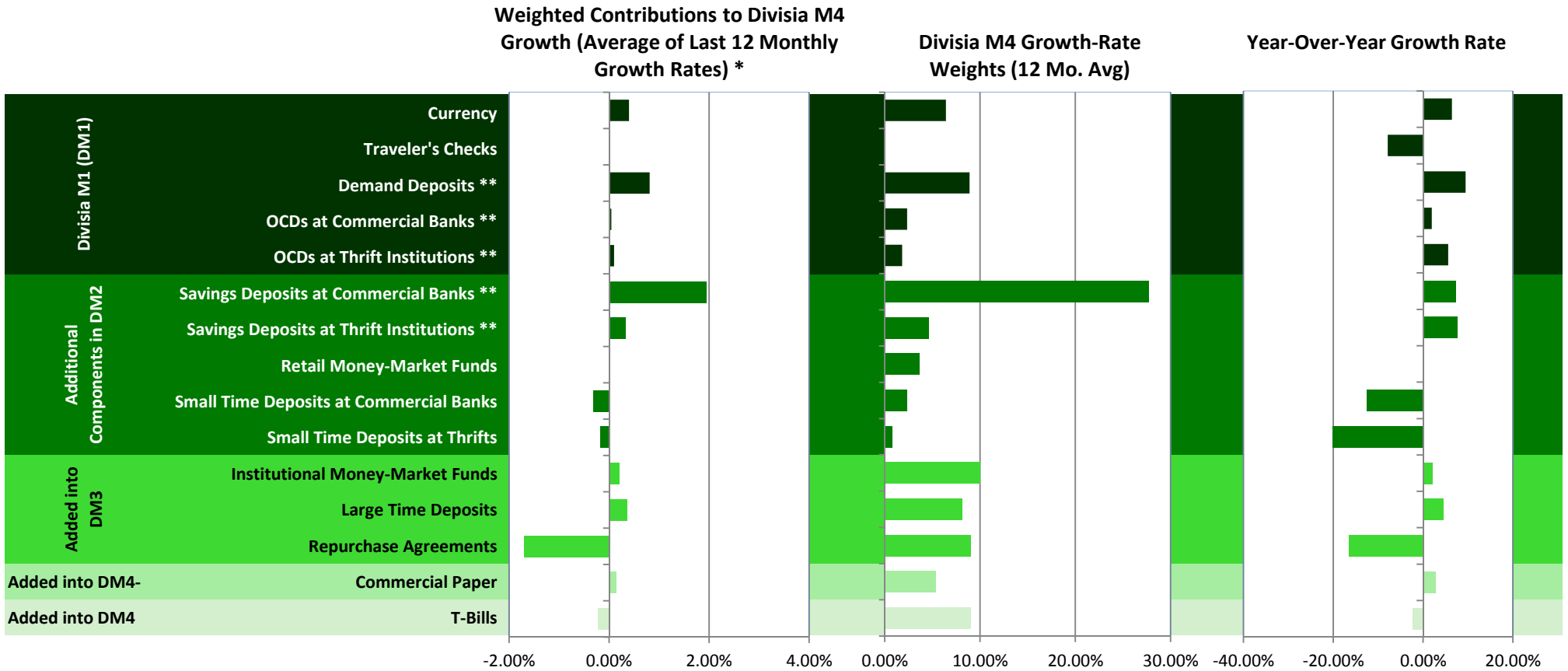
\* Sweeps adjusted.



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**Figure 10 - Components of CFS Divisia M4 - Highlights for December 2013**

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 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	Q4 2012	Q1 2013	Q2 2013		Q3 2013	
Q2 2009	-4.0																				1,276.94
Q3 2009	-4.7	-5.4																			1,259.50
Q4 2009	-6.4	-7.6	-9.8																		1,227.28
Q1 2010	-6.8	-7.7	-8.8	-7.8																	1,202.70
Q2 2010	-6.0	-6.4	-6.8	-5.2	-2.7																1,194.64
Q3 2010	-4.4	-4.5	-4.2	-2.3	0.6	3.9															1,206.19
Q4 2010	-3.3	-3.2	-2.7	-0.8	1.6	3.8	3.6														1,217.01
Q1 2011	-3.2	-3.1	-2.7	-1.3	0.4	1.5	0.3	-3.0													1,207.93
Q2 2011	-2.2	-1.9	-1.5	0.0	1.7	2.8	2.4	1.8	6.7												1,227.65
Q3 2011	-2.0	-1.8	-1.4	-0.1	1.3	2.1	1.6	0.9	2.9	-0.7											1,225.34
Q4 2011	-1.9	-1.7	-1.3	-0.1	1.0	1.6	1.2	0.6	1.8	-0.6	-0.5										1,223.91
Q1 2012	-1.4	-1.2	-0.8	0.3	1.4	1.9	1.6	1.2	2.3	0.9	1.7	3.9									1,235.66
Q2 2012	-1.1	-0.9	-0.5	0.5	1.5	2.0	1.7	1.4	2.3	1.3	2.0	3.2	2.5								1,243.31
Q3 2012	-0.5	-0.2	0.2	1.2	2.1	2.7	2.5	2.4	3.3	2.6	3.5	4.8	5.3	8.1							1,267.84
Q4 2012	0.0	0.3	0.8	1.7	2.6	3.1	3.1	3.0	3.9	3.4	4.3	5.5	6.0	7.8	7.5						1,290.88
Q1 2013	0.2	0.5	1.0	1.9	2.7	3.2	3.1	3.1	3.9	3.5	4.2	5.1	5.4	6.4	5.6	3.8					1,302.91
Q2 2013	0.2	0.5	0.9	1.7	2.5	2.9	2.8	2.8	3.4	3.0	3.6	4.3	4.3	4.8	3.7	1.9	0.0				1,302.81
Q3 2013	0.4	0.6	1.0	1.8	2.5	2.9	2.8	2.8	3.4	3.0	3.5	4.1	4.1	4.4	3.5	2.2	1.4	2.9			1,312.05
Q4 2013	0.6	0.9	1.2	2.0	2.7	3.1	3.0	2.9	3.5	3.2	3.6	4.1	4.2	4.4	3.7	2.8	2.5	3.8	4.7		1,327.12

**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 4.7% (seasonally adjusted annual rate).
- In the last year, CFS Divisia M4 grew by 2.8% (seasonally adjusted annual rate).
- In the last 2 years, CFS Divisia M4 grew by 4.1% (seasonally adjusted annual rate).
- In the last 3 years, CFS Divisia M4 grew by 2.9% (seasonally adjusted annual rate).
- In the last 4 years, CFS Divisia M4 grew by 2.0% (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-11	995	4	1,265	404	296	4,336	864	668	542	231	1,758	1,506	1,799	993	1,514
Dec-11	1,002	4	1,260	402	297	4,378	869	663	537	228	1,763	1,492	1,746	938	1,538
Jan-12	1,011	4	1,291	400	301	4,425	868	658	534	222	1,760	1,481	1,765	976	1,572
Feb-12	1,019	4	1,293	401	304	4,483	852	647	533	213	1,746	1,478	1,811	964	1,560
Mar-12	1,027	4	1,289	402	307	4,522	861	641	525	208	1,751	1,471	1,801	937	1,579
Apr-12	1,034	4	1,285	390	301	4,583	873	639	516	205	1,739	1,472	1,778	951	1,578
May-12	1,040	4	1,290	391	301	4,616	884	635	507	203	1,735	1,463	1,720	971	1,604
Jun-12	1,046	4	1,297	383	300	4,672	889	632	499	200	1,727	1,470	1,784	966	1,626
Jul-12	1,053	4	1,376	404	313	4,664	890	629	492	196	1,730	1,487	1,791	1,000	1,626
Aug-12	1,060	4	1,407	405	315	4,705	894	626	485	193	1,741	1,496	1,739	997	1,646
Sep-12	1,069	4	1,448	403	319	4,741	893	626	478	189	1,751	1,489	1,807	976	1,663
Oct-12	1,078	4	1,495	408	318	4,774	897	626	470	186	1,742	1,484	1,767	968	1,667
Nov-12	1,083	4	1,472	398	317	4,930	829	631	464	179	1,735	1,484	1,835	984	1,683
Dec-12	1,091	4	1,505	411	324	4,978	833	641	455	176	1,743	1,514	1,929	1,010	1,648
Jan-13	1,098	4	1,510	422	332	4,970	847	653	448	176	1,770	1,530	1,817	1,081	1,649
Feb-13	1,099	4	1,533	418	333	4,949	851	637	442	173	1,768	1,545	1,739	1,045	1,677
Mar-13	1,103	4	1,507	411	337	5,012	861	635	445	170	1,755	1,536	1,702	999	1,674
Apr-13	1,109	4	1,550	412	332	5,027	867	633	441	166	1,757	1,517	1,756	994	1,654
May-13	1,116	4	1,560	411	331	5,040	875	628	435	163	1,749	1,528	1,738	1,021	1,616
Jun-13	1,123	4	1,536	402	332	5,099	881	641	425	159	1,752	1,548	1,720	998	1,608
Jul-13	1,132	4	1,561	415	345	5,143	885	652	418	154	1,761	1,566	1,669	983	1,607
Aug-13	1,139	4	1,564	408	343	5,206	892	649	414	150	1,761	1,559	1,636	982	1,617
Sep-13	1,146	4	1,575	420	345	5,229	893	654	407	148	1,793	1,578	1,642	1,010	1,585
Oct-13	1,152	4	1,642	413	342	5,296	899	656	403	146	1,789	1,556	1,605	1,053	1,592
Nov-13	1,154	4	1,607	408	340	5,336	899	645	398	143	1,794	1,582	1,550	1,057	1,602
Dec-13	1,161	4	1,647	418	342	5,338	898	640	398	141	1,780	1,584	1,609	1,038	1,609

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-11	8.7%	-8.5%	32.5%	-10.9%	-1.4%	16.7%	10.6%	-2.0%	-19.6%	-15.8%	-8.6%	-14.1%	-2.6%	-5.8%	-14.9%
Dec-11	9.0%	-8.5%	30.8%	-10.4%	-1.9%	16.5%	10.4%	-1.7%	-18.2%	-15.6%	-6.9%	-13.5%	-2.5%	-9.6%	-14.5%
Jan-12	9.4%	-10.6%	31.8%	-9.3%	-2.4%	17.3%	9.7%	-2.0%	-17.0%	-16.3%	-4.7%	-13.7%	-0.6%	-0.2%	-14.2%
Feb-12	9.6%	-8.7%	29.4%	-8.4%	-1.1%	17.6%	6.0%	-2.8%	-15.9%	-18.9%	-4.3%	-14.0%	0.4%	-6.5%	-8.0%
Mar-12	9.6%	-10.9%	28.1%	-8.1%	-0.4%	17.6%	5.5%	-3.3%	-15.8%	-20.1%	-5.2%	-15.0%	-1.9%	-12.9%	-2.5%
Apr-12	9.2%	-10.9%	26.0%	-7.8%	-3.4%	17.6%	6.8%	-3.0%	-16.0%	-20.1%	-7.3%	-16.0%	-4.0%	-18.6%	-1.9%
May-12	8.7%	-13.0%	22.7%	-8.2%	-1.1%	17.9%	6.7%	-3.3%	-16.1%	-20.3%	-8.5%	-18.2%	-10.1%	-17.4%	2.5%
Jun-12	8.5%	-11.1%	22.5%	-10.4%	0.2%	17.0%	7.0%	-4.2%	-15.9%	-20.1%	-7.8%	-15.3%	0.2%	-17.5%	4.8%
Jul-12	8.5%	-11.1%	24.3%	-3.8%	4.9%	12.8%	5.7%	-4.8%	-15.5%	-20.5%	-5.9%	-10.1%	0.0%	-12.1%	6.8%
Aug-12	8.5%	-11.4%	14.5%	-1.2%	6.7%	11.0%	5.2%	-7.2%	-14.9%	-20.4%	-0.3%	-3.5%	-4.4%	-8.7%	11.5%
Sep-12	8.8%	-11.4%	17.0%	-0.9%	7.7%	10.9%	4.8%	-6.6%	-14.5%	-20.7%	-1.0%	-3.7%	0.4%	-5.1%	10.6%
Oct-12	9.2%	-11.4%	18.9%	1.9%	7.1%	11.2%	4.8%	-7.0%	-14.6%	-20.8%	-1.3%	-2.6%	-0.1%	-5.0%	9.7%
Nov-12	8.9%	-9.3%	16.4%	-1.6%	7.2%	13.7%	-4.0%	-5.5%	-14.4%	-22.4%	-1.3%	-1.5%	2.0%	-0.9%	11.2%
Dec-12	8.9%	-11.6%	19.5%	2.1%	8.9%	13.7%	-4.1%	-3.3%	-15.3%	-22.8%	-1.1%	1.5%	10.5%	7.7%	7.1%
Jan-13	8.6%	-9.5%	17.0%	5.7%	10.4%	12.3%	-2.5%	-0.8%	-16.1%	-20.9%	0.6%	3.3%	2.9%	10.7%	4.9%
Feb-13	7.8%	-9.5%	18.6%	4.2%	9.4%	10.4%	-0.1%	-1.5%	-17.0%	-18.4%	1.2%	4.6%	-4.0%	8.4%	7.5%
Mar-13	7.3%	-7.3%	17.0%	2.3%	9.8%	10.8%	0.0%	-0.9%	-15.3%	-18.3%	0.3%	4.4%	-5.5%	6.6%	6.0%
Apr-13	7.3%	-9.8%	20.7%	5.6%	10.5%	9.7%	-0.8%	-1.0%	-14.5%	-19.0%	1.0%	3.1%	-1.2%	4.5%	4.8%
May-13	7.4%	-7.5%	20.9%	4.9%	9.9%	9.2%	-1.1%	-1.2%	-14.1%	-19.6%	0.8%	4.5%	1.0%	5.1%	0.7%
Jun-13	7.4%	-7.5%	18.5%	4.9%	10.5%	9.1%	-1.0%	1.5%	-14.8%	-20.5%	1.5%	5.3%	-3.6%	3.3%	-1.1%
Jul-13	7.5%	-10.0%	13.4%	2.6%	10.0%	10.3%	-0.5%	3.7%	-15.0%	-21.5%	1.8%	5.3%	-6.8%	-1.7%	-1.1%
Aug-13	7.4%	-7.7%	11.1%	0.8%	8.9%	10.7%	-0.2%	3.6%	-14.6%	-22.3%	1.1%	4.2%	-5.9%	-1.5%	-1.7%
Sep-13	7.2%	-7.7%	8.8%	4.1%	8.1%	10.3%	-0.1%	4.6%	-14.8%	-21.9%	2.4%	6.0%	-9.1%	3.5%	-4.7%
Oct-13	6.9%	-7.7%	9.8%	1.4%	7.6%	10.9%	0.2%	4.7%	-14.2%	-21.8%	2.7%	4.9%	-9.1%	8.8%	-4.5%
Nov-13	6.5%	-10.3%	9.2%	2.6%	7.3%	8.2%	8.5%	2.2%	-14.2%	-20.4%	3.4%	6.6%	-15.5%	7.3%	-4.8%
Dec-13	6.4%	-7.9%	9.5%	1.9%	5.6%	7.2%	7.7%	-0.2%	-12.6%	-20.2%	2.1%	4.6%	-16.6%	2.8%	-2.3%

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-11	6.1%	0.0%	7.7%	2.4%	1.7%	25.4%	4.7%	4.1%	3.1%	1.2%	10.7%	8.1%	10.3%	5.4%	9.2%
Dec-11	6.1%	0.0%	7.7%	2.4%	1.7%	25.6%	4.7%	4.0%	3.1%	1.2%	10.6%	8.0%	10.3%	5.3%	9.3%
Jan-12	6.1%	0.0%	7.7%	2.4%	1.7%	25.9%	4.7%	4.0%	3.0%	1.2%	10.6%	8.0%	10.1%	5.2%	9.4%
Feb-12	6.1%	0.0%	7.8%	2.4%	1.7%	26.1%	4.7%	3.9%	3.0%	1.1%	10.5%	8.0%	10.1%	5.2%	9.2%
Mar-12	6.2%	0.0%	7.8%	2.4%	1.8%	26.3%	4.7%	3.9%	3.0%	1.1%	10.5%	8.0%	10.1%	5.2%	9.1%
Apr-12	6.3%	0.0%	7.9%	2.4%	1.8%	26.6%	4.8%	3.8%	3.0%	1.0%	10.5%	7.9%	9.8%	5.1%	9.2%
May-12	6.4%	0.0%	7.9%	2.4%	1.7%	26.9%	4.8%	3.8%	2.9%	1.0%	10.5%	7.9%	9.4%	5.2%	9.3%
Jun-12	6.4%	0.0%	7.9%	2.3%	1.7%	27.0%	4.8%	3.8%	2.8%	1.0%	10.4%	7.9%	9.3%	5.2%	9.3%
Jul-12	6.3%	0.0%	8.1%	2.3%	1.8%	27.0%	4.9%	3.7%	2.8%	1.0%	10.3%	7.9%	9.5%	5.2%	9.3%
Aug-12	6.3%	0.0%	8.3%	2.4%	1.8%	26.9%	4.9%	3.7%	2.7%	1.0%	10.2%	8.0%	9.4%	5.3%	9.2%
Sep-12	6.3%	0.0%	8.4%	2.4%	1.8%	26.9%	4.9%	3.7%	2.7%	1.0%	10.2%	8.0%	9.3%	5.3%	9.3%
Oct-12	6.3%	0.0%	8.7%	2.4%	1.8%	27.1%	4.8%	3.6%	2.7%	0.9%	10.2%	8.0%	9.0%	5.2%	9.3%
Nov-12	6.3%	0.0%	8.7%	2.4%	1.8%	27.5%	4.6%	3.6%	2.6%	0.9%	10.1%	7.9%	9.1%	5.1%	9.3%
Dec-12	6.3%	0.0%	8.6%	2.3%	1.8%	27.8%	4.4%	3.6%	2.5%	0.9%	10.0%	7.9%	9.5%	5.2%	9.2%
Jan-13	6.3%	0.0%	8.6%	2.4%	1.8%	27.4%	4.4%	3.7%	2.5%	0.9%	10.0%	8.0%	9.6%	5.4%	9.1%
Feb-13	6.3%	0.0%	8.7%	2.4%	1.8%	27.1%	4.5%	3.7%	2.5%	0.9%	10.0%	8.1%	9.4%	5.5%	9.1%
Mar-13	6.3%	0.0%	8.8%	2.4%	1.8%	27.3%	4.5%	3.6%	2.5%	0.9%	10.0%	8.2%	9.1%	5.4%	9.2%
Apr-13	6.4%	0.0%	8.8%	2.4%	1.8%	27.5%	4.6%	3.6%	2.5%	0.8%	10.0%	8.1%	9.0%	5.2%	9.2%
May-13	6.4%	0.0%	9.0%	2.3%	1.8%	27.5%	4.6%	3.6%	2.4%	0.8%	10.0%	8.0%	9.3%	5.3%	9.1%
Jun-13	6.4%	0.0%	8.9%	2.3%	1.8%	27.6%	4.6%	3.6%	2.4%	0.8%	9.9%	8.0%	9.4%	5.3%	9.0%
Jul-13	6.4%	0.0%	8.8%	2.3%	1.8%	27.8%	4.6%	3.7%	2.3%	0.8%	10.0%	8.1%	9.3%	5.2%	8.9%
Aug-13	6.4%	0.0%	8.9%	2.3%	1.9%	28.0%	4.6%	3.7%	2.3%	0.7%	9.9%	8.1%	9.1%	5.2%	8.9%
Sep-13	6.4%	0.0%	8.9%	2.3%	1.8%	28.1%	4.7%	3.7%	2.2%	0.7%	10.0%	8.2%	8.9%	5.2%	8.9%
Oct-13	6.5%	0.0%	9.1%	2.3%	1.8%	28.1%	4.6%	3.7%	2.2%	0.7%	10.0%	8.1%	8.6%	5.4%	8.8%
Nov-13	6.5%	0.0%	9.2%	2.3%	1.8%	28.2%	4.7%	3.7%	2.2%	0.7%	10.1%	8.1%	8.3%	5.5%	8.7%
Dec-13	6.6%	0.0%	9.2%	2.3%	1.8%	28.1%	4.7%	3.6%	2.2%	0.7%	10.1%	8.2%	8.5%	5.4%	8.7%
12 Mo Chg.	0.3%	0.0%	0.6%	0.0%	0.1%	0.3%	0.3%	0.0%	-0.4%	-0.2%	0.1%	0.3%	-1.0%	0.2%	-0.5%

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-11	0.5%	0.0%	1.9%	-0.3%	0.0%	3.7%	0.4%	-0.1%	-0.8%	-0.2%	-1.0%	-1.3%	-0.3%	-0.3%	-1.6%
Dec-11	0.5%	0.0%	1.8%	-0.3%	0.0%	3.7%	0.4%	-0.1%	-0.7%	-0.2%	-0.8%	-1.2%	-0.3%	-0.5%	-1.5%
Jan-12	0.5%	0.0%	1.9%	-0.2%	0.0%	3.8%	0.4%	-0.1%	-0.6%	-0.2%	-0.5%	-1.2%	-0.1%	0.0%	-1.5%
Feb-12	0.5%	0.0%	1.8%	-0.2%	0.0%	3.9%	0.3%	-0.1%	-0.6%	-0.3%	-0.5%	-1.3%	0.0%	-0.4%	-0.8%
Mar-12	0.5%	0.0%	1.7%	-0.2%	0.0%	4.0%	0.2%	-0.1%	-0.6%	-0.3%	-0.6%	-1.4%	-0.2%	-0.8%	-0.2%
Apr-12	0.5%	0.0%	1.6%	-0.2%	-0.1%	4.0%	0.3%	-0.1%	-0.6%	-0.3%	-0.8%	-1.5%	-0.4%	-1.2%	-0.2%
May-12	0.5%	0.0%	1.5%	-0.2%	0.0%	4.1%	0.3%	-0.1%	-0.6%	-0.3%	-1.0%	-1.7%	-1.1%	-1.1%	0.2%
Jun-12	0.5%	0.0%	1.5%	-0.3%	0.0%	4.0%	0.3%	-0.2%	-0.5%	-0.3%	-0.9%	-1.4%	0.0%	-1.1%	0.4%
Jul-12	0.5%	0.0%	1.6%	-0.1%	0.1%	3.1%	0.3%	-0.2%	-0.5%	-0.3%	-0.7%	-0.9%	0.0%	-0.8%	0.6%
Aug-12	0.5%	0.0%	1.1%	0.0%	0.1%	2.7%	0.2%	-0.3%	-0.5%	-0.3%	0.0%	-0.3%	-0.4%	-0.5%	1.0%
Sep-12	0.5%	0.0%	1.3%	0.0%	0.1%	2.7%	0.2%	-0.3%	-0.5%	-0.3%	-0.1%	-0.3%	0.0%	-0.3%	0.9%
Oct-12	0.5%	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%	0.2%	-0.1%	1.0%
Dec-12	0.5%	0.0%	1.5%	0.0%	0.2%	3.5%	-0.2%	-0.1%	-0.5%	-0.3%	-0.1%	0.1%	0.9%	0.4%	0.6%
Jan-13	0.5%	0.0%	1.3%	0.1%	0.2%	3.1%	-0.1%	0.0%	-0.5%	-0.2%	0.1%	0.3%	0.3%	0.5%	0.4%
Feb-13	0.5%	0.0%	1.4%	0.1%	0.2%	2.7%	0.0%	-0.1%	-0.5%	-0.2%	0.1%	0.4%	-0.4%	0.4%	0.7%
Mar-13	0.4%	0.0%	1.3%	0.1%	0.2%	2.8%	0.0%	0.0%	-0.5%	-0.2%	0.0%	0.3%	-0.5%	0.3%	0.5%
Apr-13	0.4%	0.0%	1.6%	0.1%	0.2%	2.5%	0.0%	0.0%	-0.4%	-0.2%	0.1%	0.2%	-0.1%	0.2%	0.4%
May-13	0.5%	0.0%	1.6%	0.1%	0.2%	2.4%	-0.1%	0.0%	-0.4%	-0.2%	0.1%	0.3%	0.1%	0.3%	0.1%
Jun-13	0.5%	0.0%	1.4%	0.1%	0.2%	2.4%	-0.1%	0.1%	-0.4%	-0.2%	0.1%	0.4%	-0.4%	0.2%	-0.1%
Jul-13	0.5%	0.0%	1.1%	0.1%	0.2%	2.7%	0.0%	0.1%	-0.4%	-0.2%	0.2%	0.4%	-0.7%	-0.1%	-0.1%
Aug-13	0.5%	0.0%	0.9%	0.0%	0.2%	2.8%	0.0%	0.1%	-0.4%	-0.2%	0.1%	0.3%	-0.6%	-0.1%	-0.2%
Sep-13	0.4%	0.0%	0.7%	0.1%	0.1%	2.7%	0.0%	0.2%	-0.4%	-0.2%	0.2%	0.5%	-0.9%	0.2%	-0.4%
Oct-13	0.4%	0.0%	0.8%	0.0%	0.1%	2.9%	0.0%	0.2%	-0.4%	-0.2%	0.3%	0.4%	-0.9%	0.4%	-0.4%
Nov-13	0.4%	0.0%	0.8%	0.1%	0.1%	2.2%	0.4%	0.1%	-0.4%	-0.2%	0.3%	0.5%	-1.5%	0.4%	-0.5%
Dec-13	0.4%	0.0%	0.8%	0.0%	0.1%	1.9%	0.3%	0.0%	-0.3%	-0.2%	0.2%	0.4%	-1.7%	0.1%	-0.2%

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.





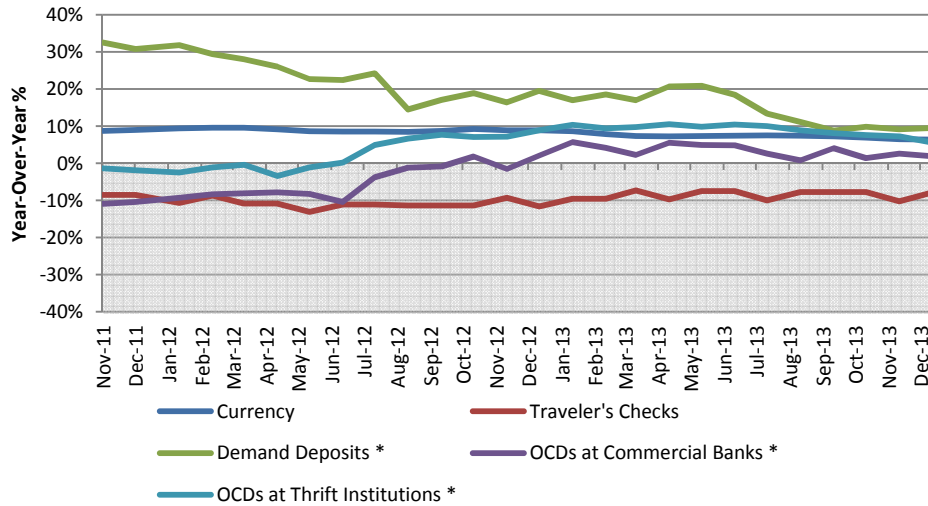
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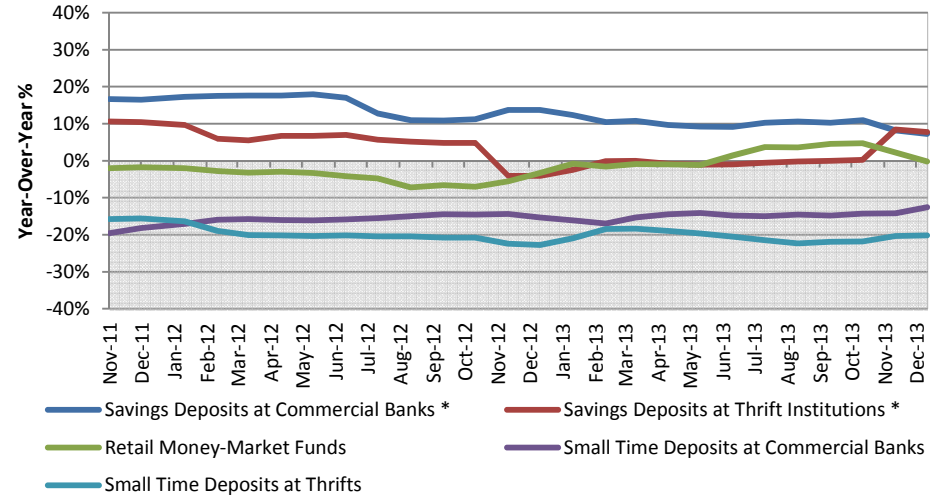
**Figure 15 - Unweighted Components of CFS Divisia M4 (Year-Over-Year Growth Rates)**

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

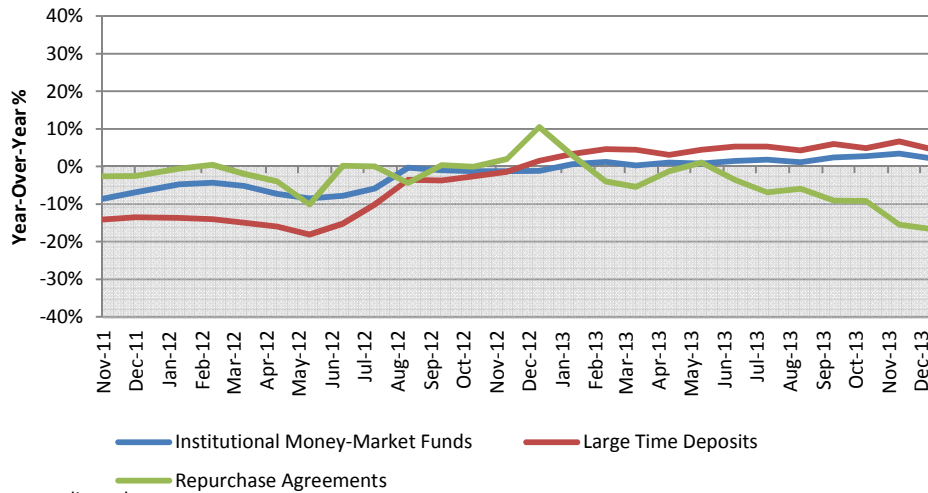
### DM1 Components



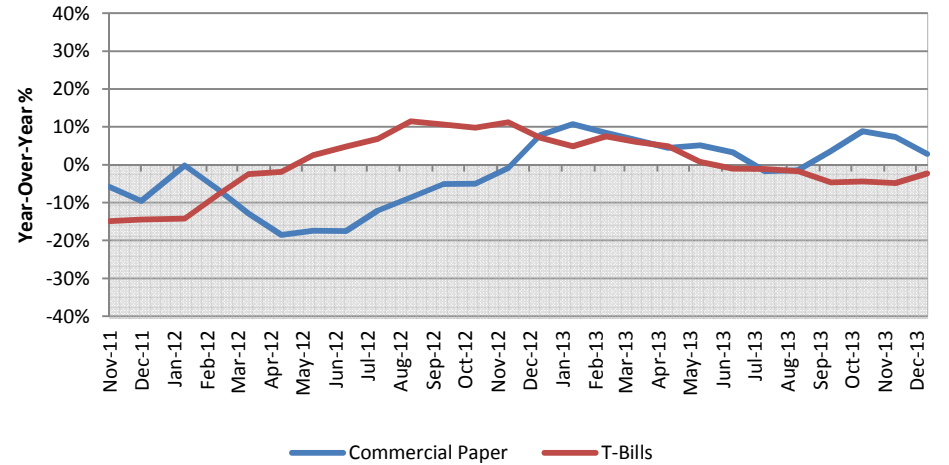
### Additional DM2 Components (That Are Not in DM1)



### 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.<sup>6</sup> 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.<sup>7</sup> 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,

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<sup>6</sup> 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.

<sup>7</sup> 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](http://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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The Center for Financial Stability is an independent, nonpartisan, and nonprofit think tank dedicated to financial markets for the benefit of investors, officials, and the public.

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](http://www.CenterforFinancialStability.org).

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