Excel with FRED: HW2- MZM Velocity

The Federal funds rate and money velocity are important macroeconomic variables. Data on velocity and the Federal Funds Rate can be found easily on FRED.

1. Search FRED for <u>quarterly</u> data on the Federal Funds Rate (FEDFUNDS).

2. Download quarterly FEDFUNDS data back to 1959 (MZMV).

3. Search FRED for <u>quarterly</u> data on the MZM money supply.

4. Download quarterly FEDFUNDS data back to 1959.

5. Download data into EXCEL.

6. Insert the FFR and MZM data columns into a 2 dimension scatter graph.

7. Right click on a data point to add a trend-line.

8. Check "display r-squared on chart" in the trend-line options.

9. Edit graph for style and clarity.

10. Copy results to a word file and print.