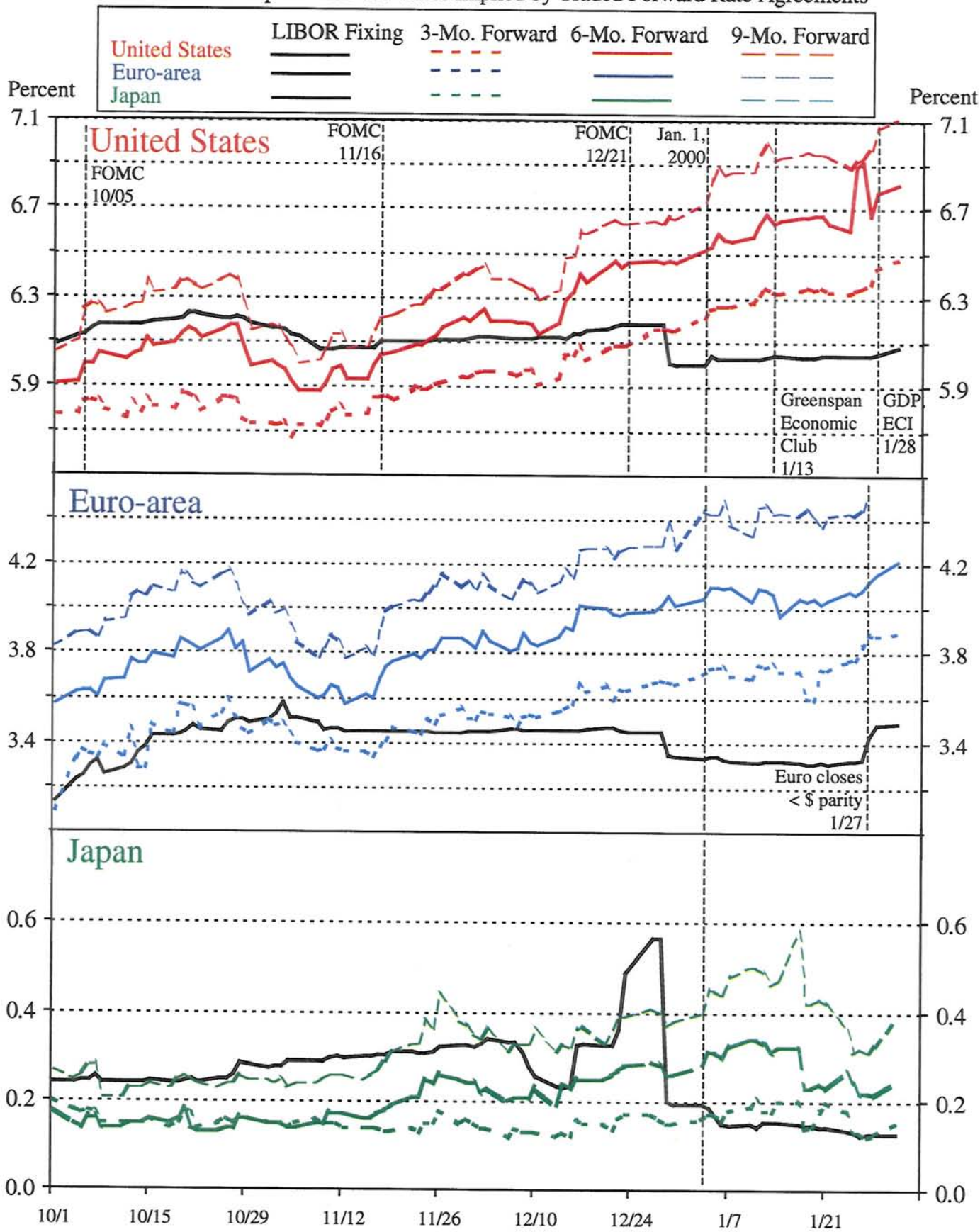
APPENDIX 1

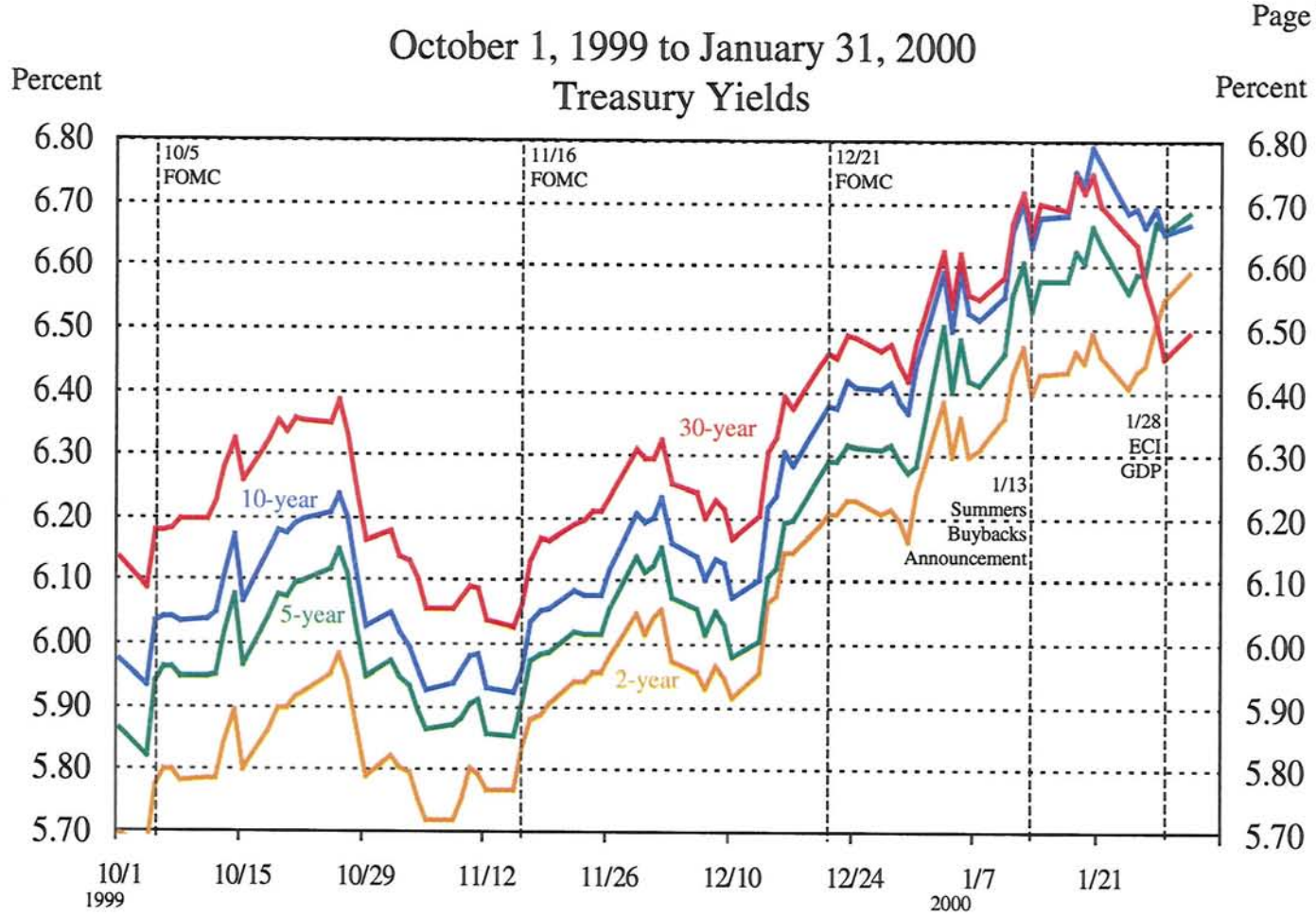
Charts used by Mr. Fisher.

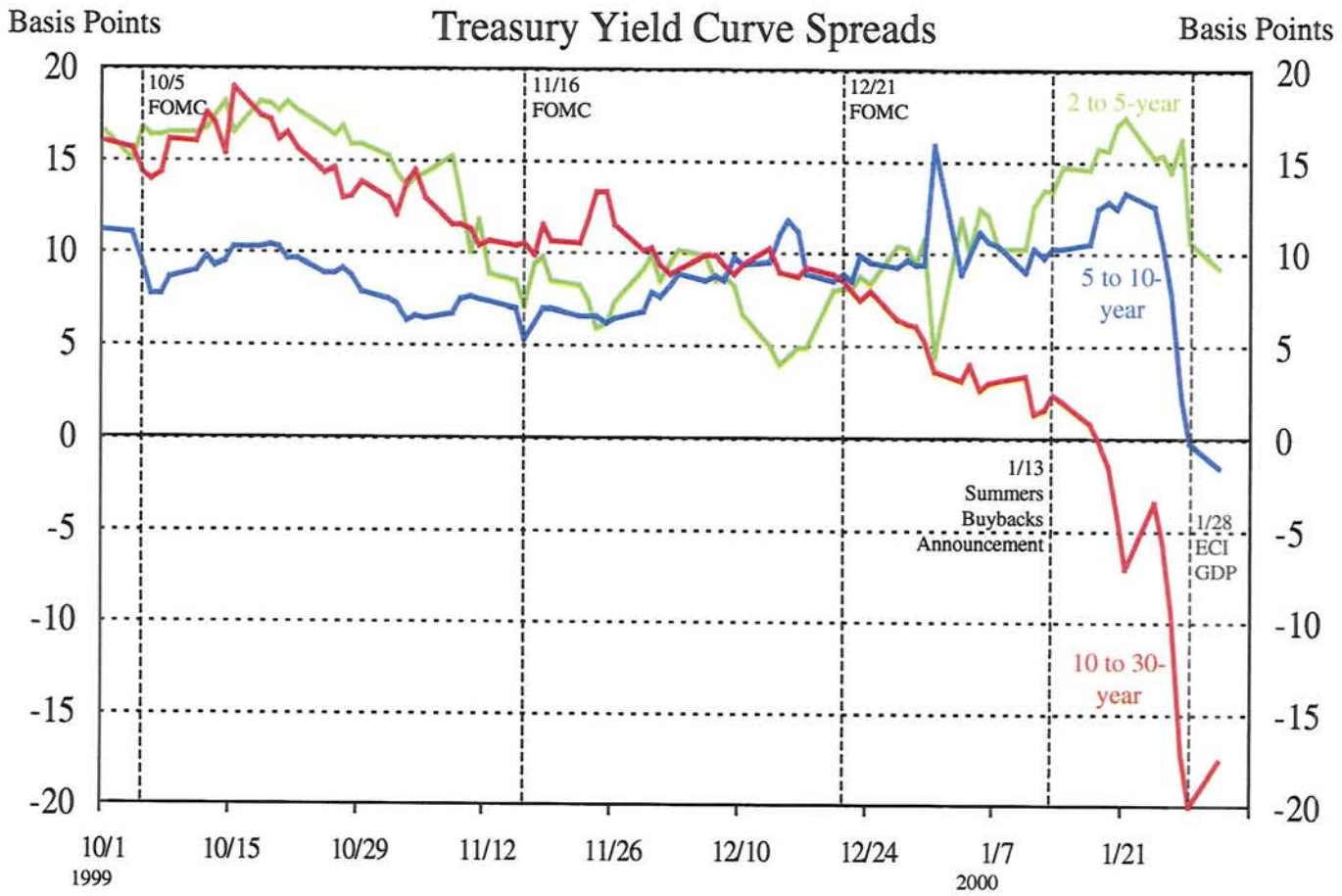
3-Month Deposit Rates

October 1, 1999 - January 31, 2000

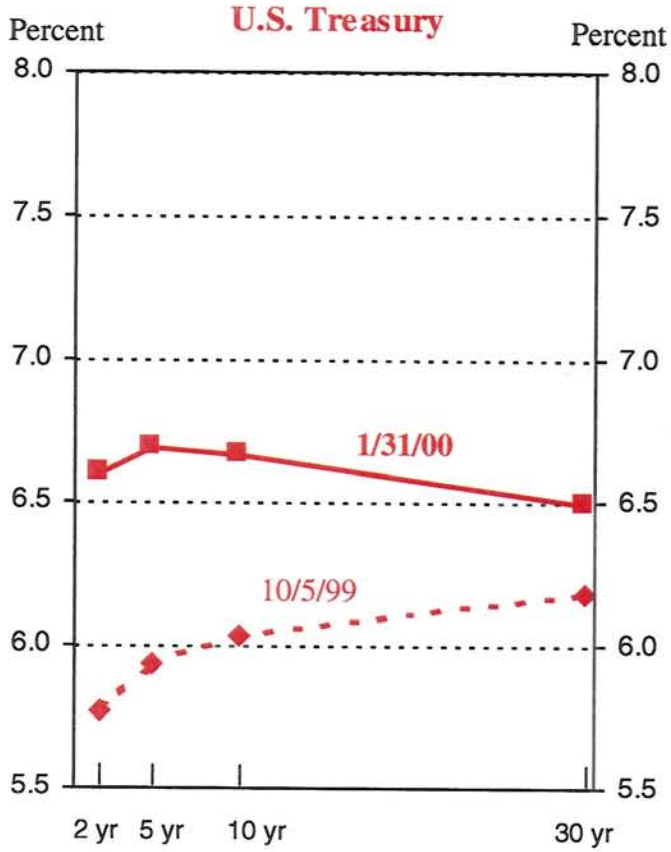
Current Euro-Deposit Rate and Rates Implied by Traded Forward Rate Agreements

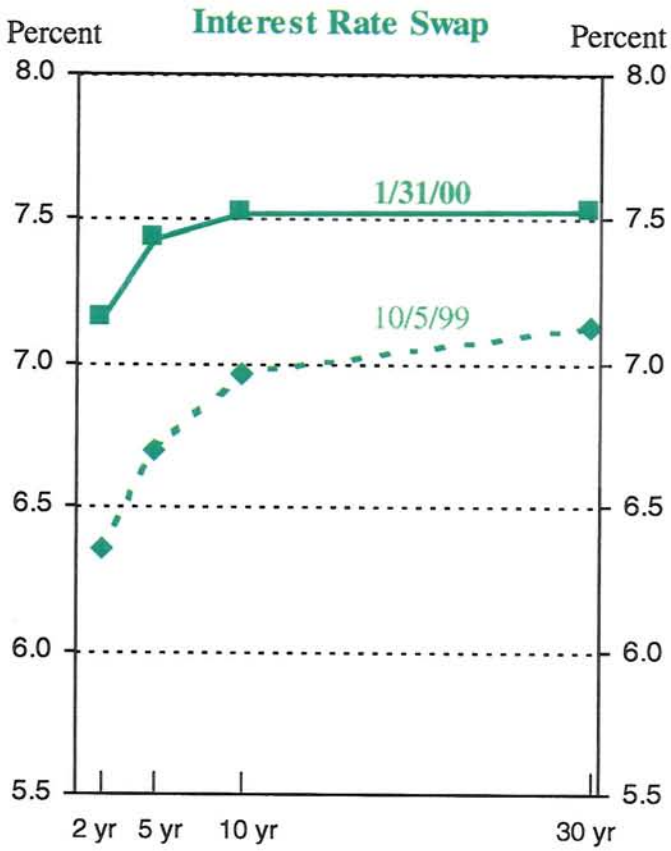


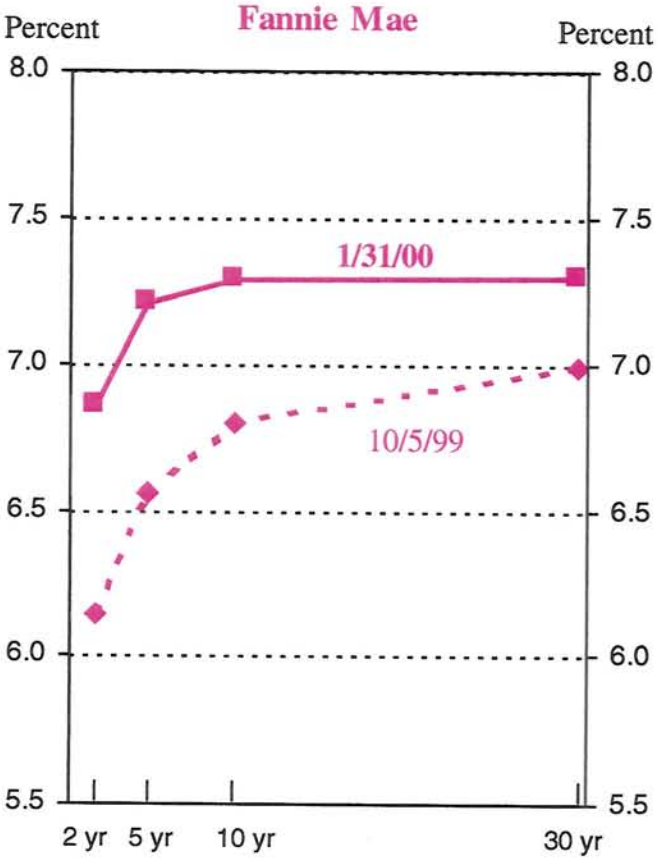

October 1, 1999 to January 31, 2000
Treasury Yields
Percent
Percent
6.80
6.70
6.60
6.50
6.40
6.30
6.20
6.10
6.00
5.90
5.80
5.70
10/5
FOMC
11/16
FOMC
12/21
FOMC
1/13
Summers
Buybacks
Announcement
1/28
ECI
GDP
30-year
10-year
5-year
2-year
10/1
1999
10/15
10/29
11/12
11/26
12/10
12/24
1/7
2000
1/21

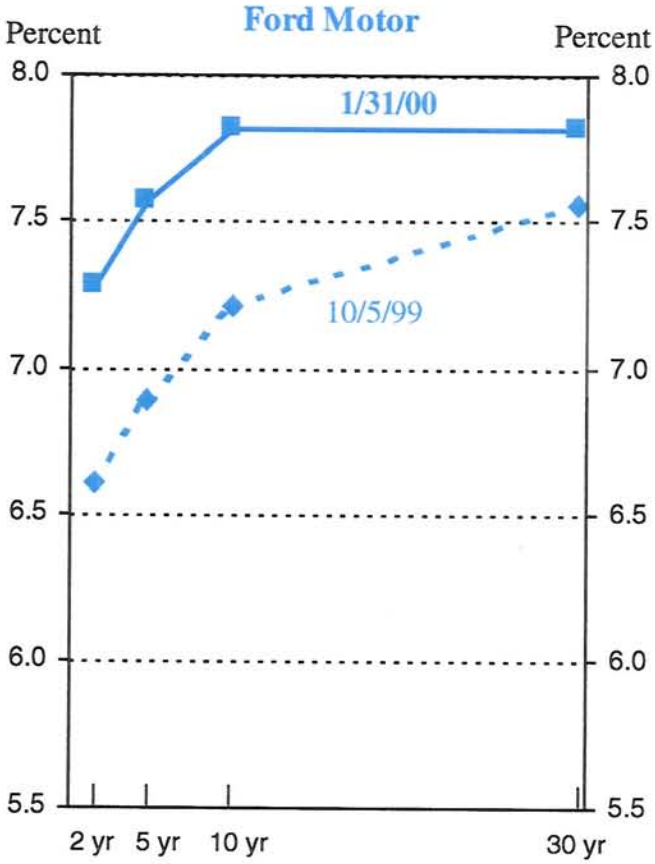

Treasury Yield Curve Spreads
Basis Points
Basis Points
20
15
10
5
0
-5
-10
-15
-20
10/5
FOMC
11/16
FOMC
12/21
FOMC
2 to 5-year
5 to 10-year
10 to 30-year
1/13
Summers
Buybacks
Announcement
1/28
ECI
GDP
10/1
1999
10/15
10/29
11/12
11/26
12/10
12/24
1/7
2000
1/21

Domestic Yield Curves

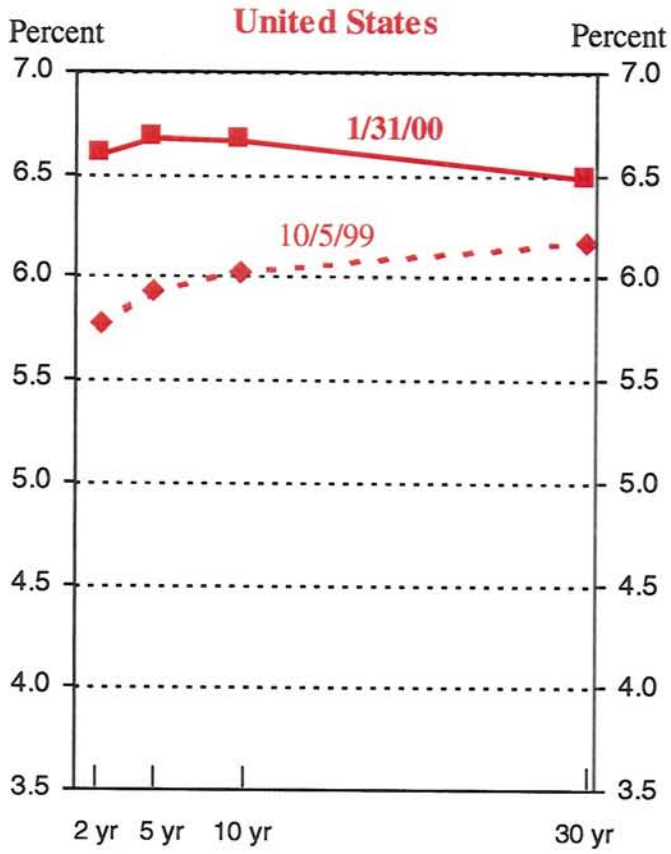


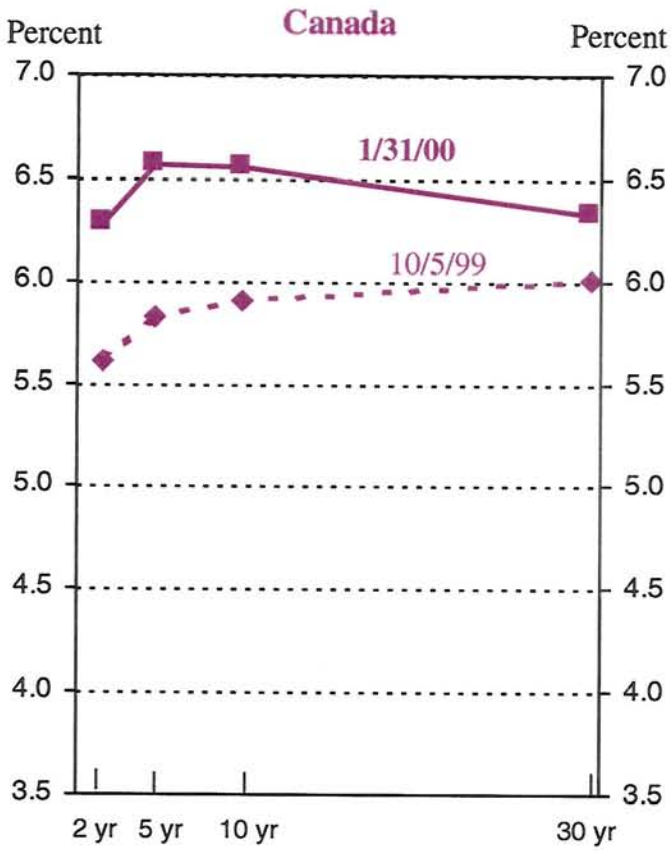


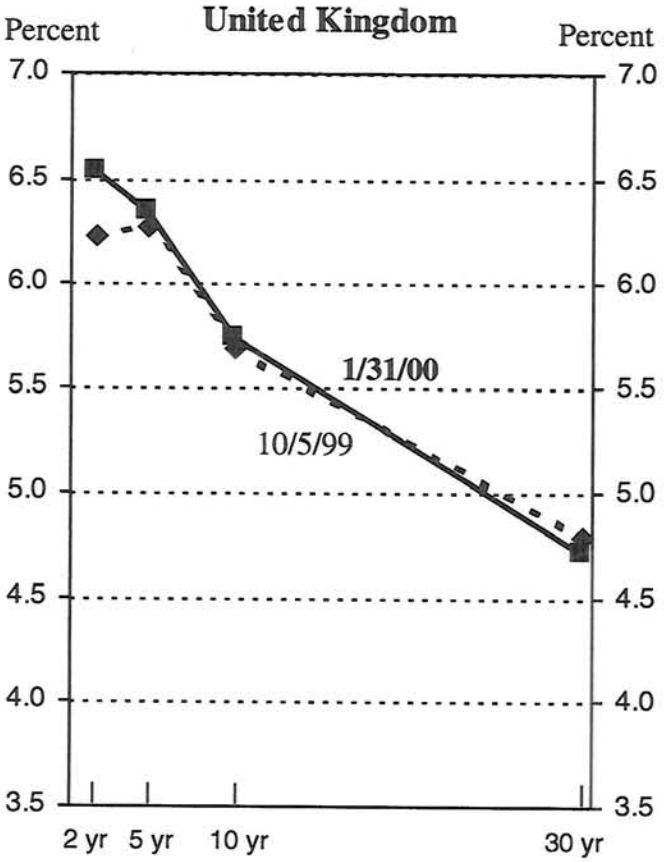


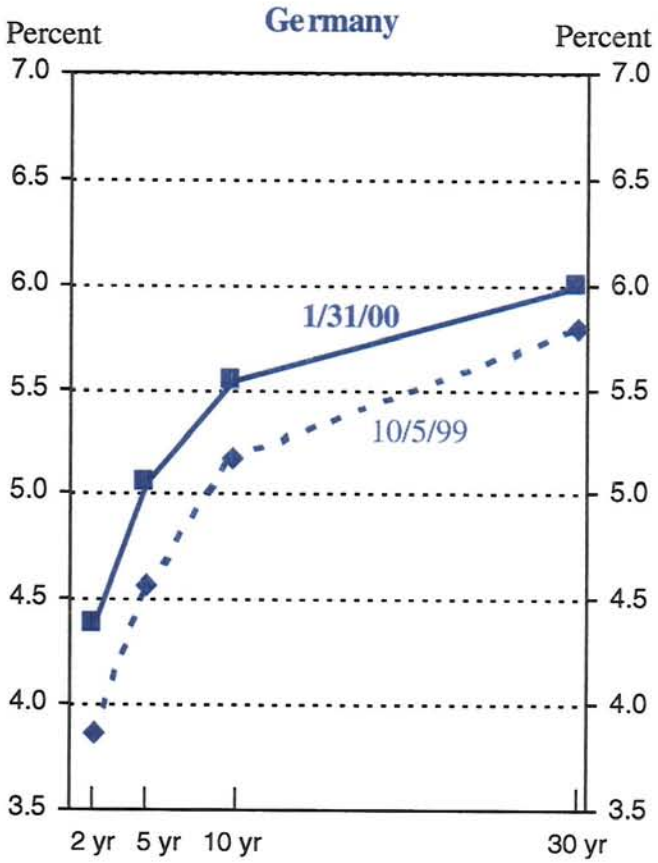


Benchmark Government Yield Curves



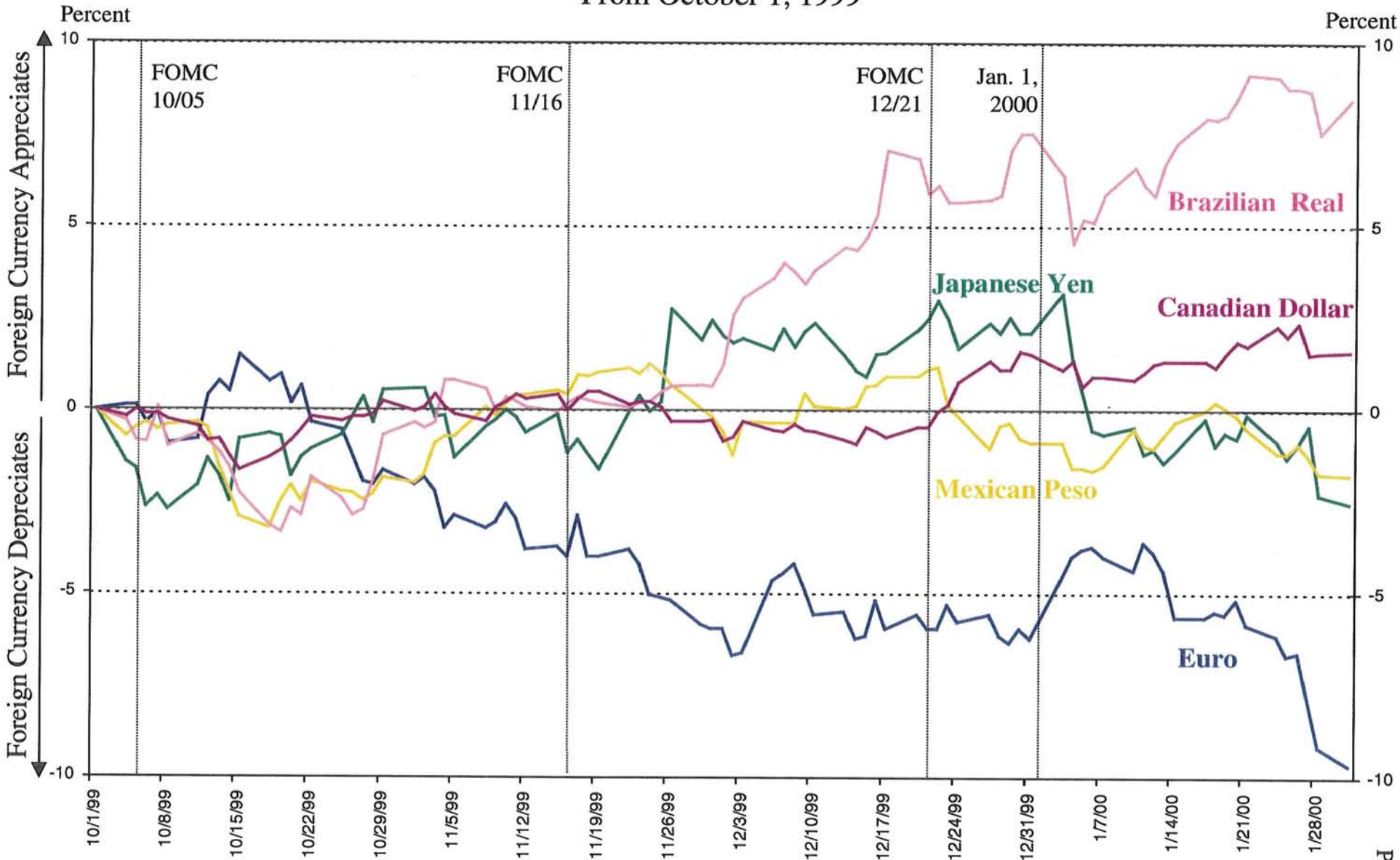




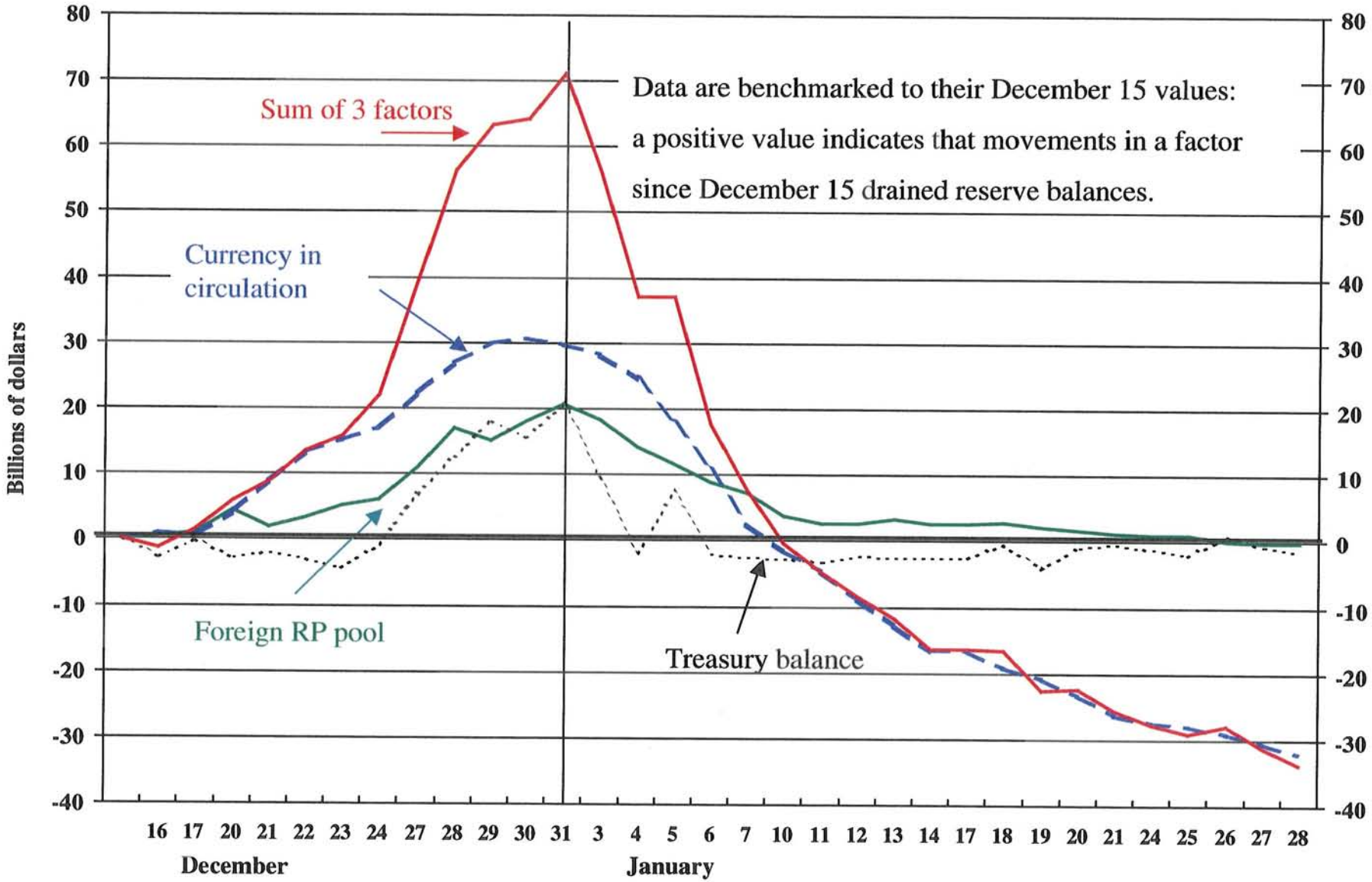


Percent Change of Currencies against U.S. Dollar

From October 1, 1999

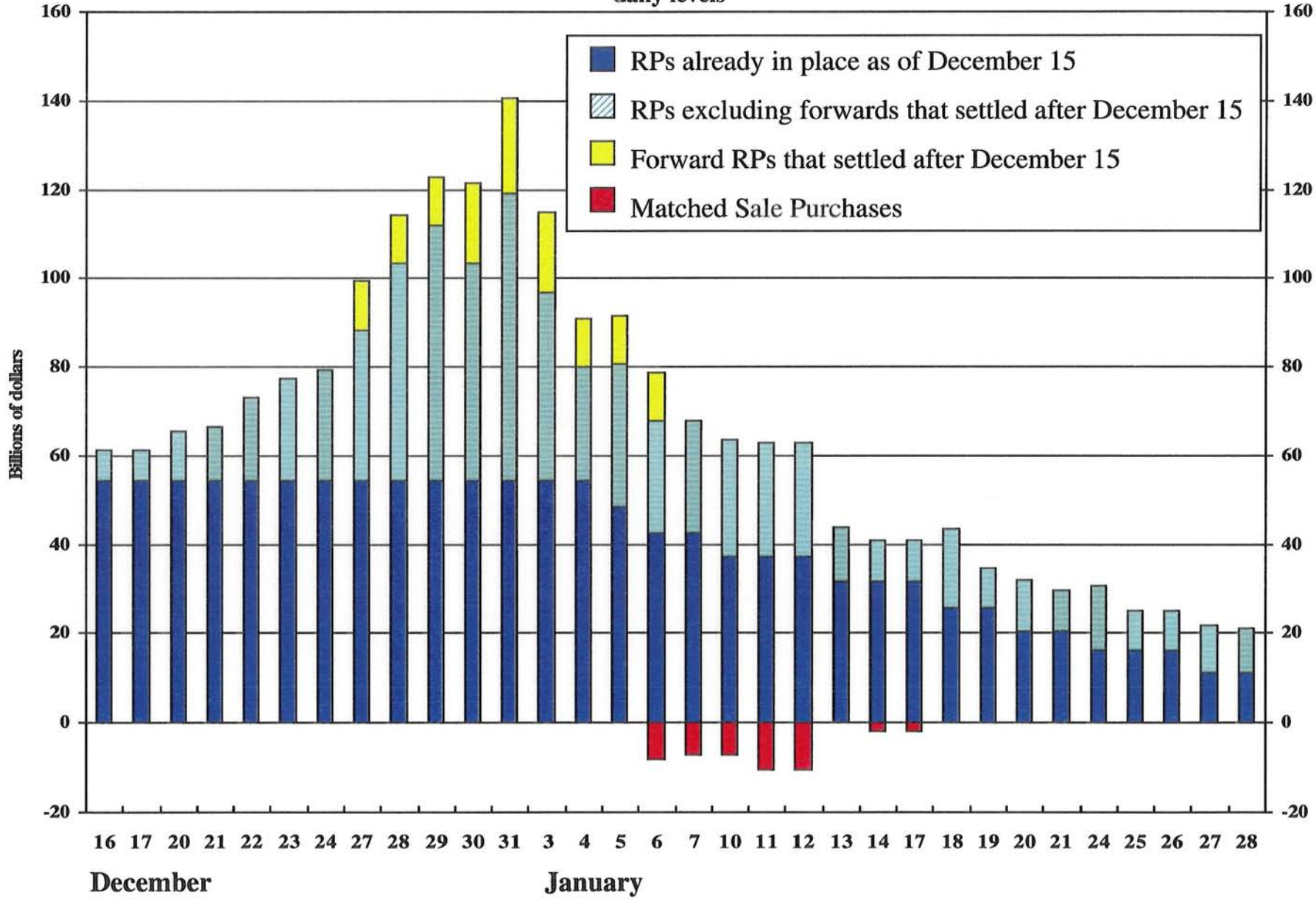


MOVEMENTS OF KEY FACTORS SINCE DECEMBER 15
IMPACT ON RESERVE DEFICIENCIES
daily levels

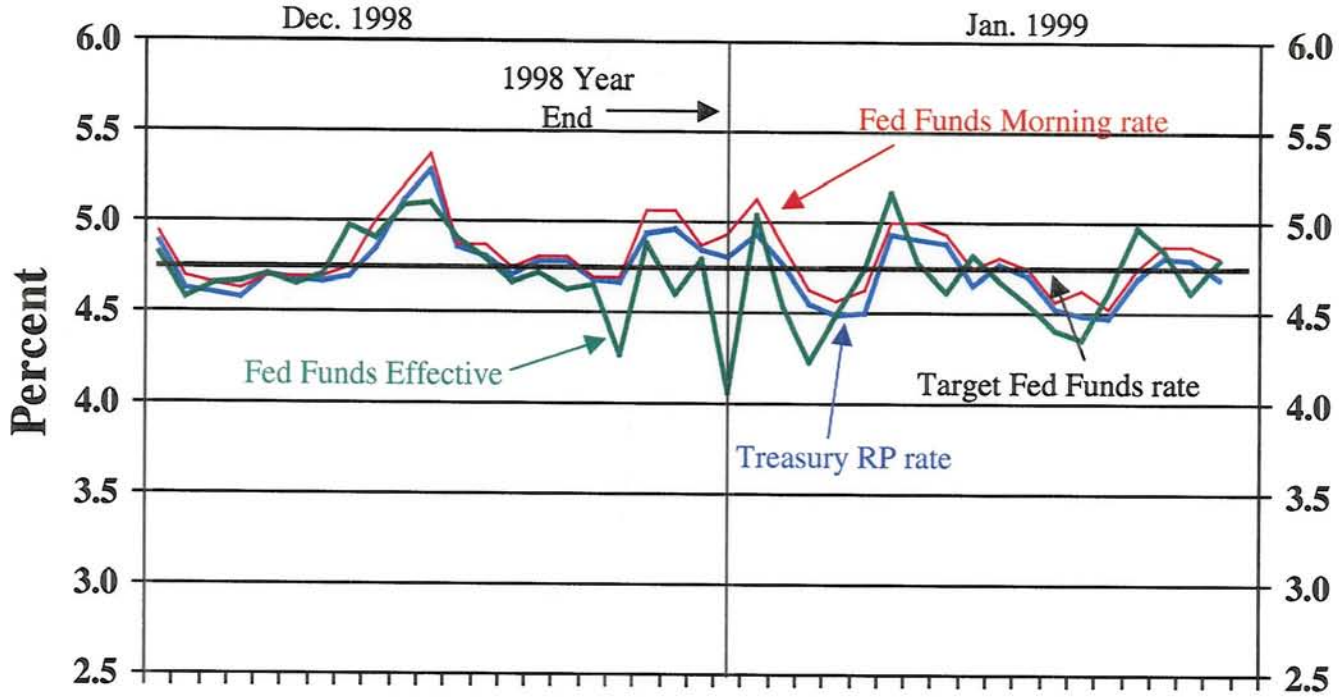


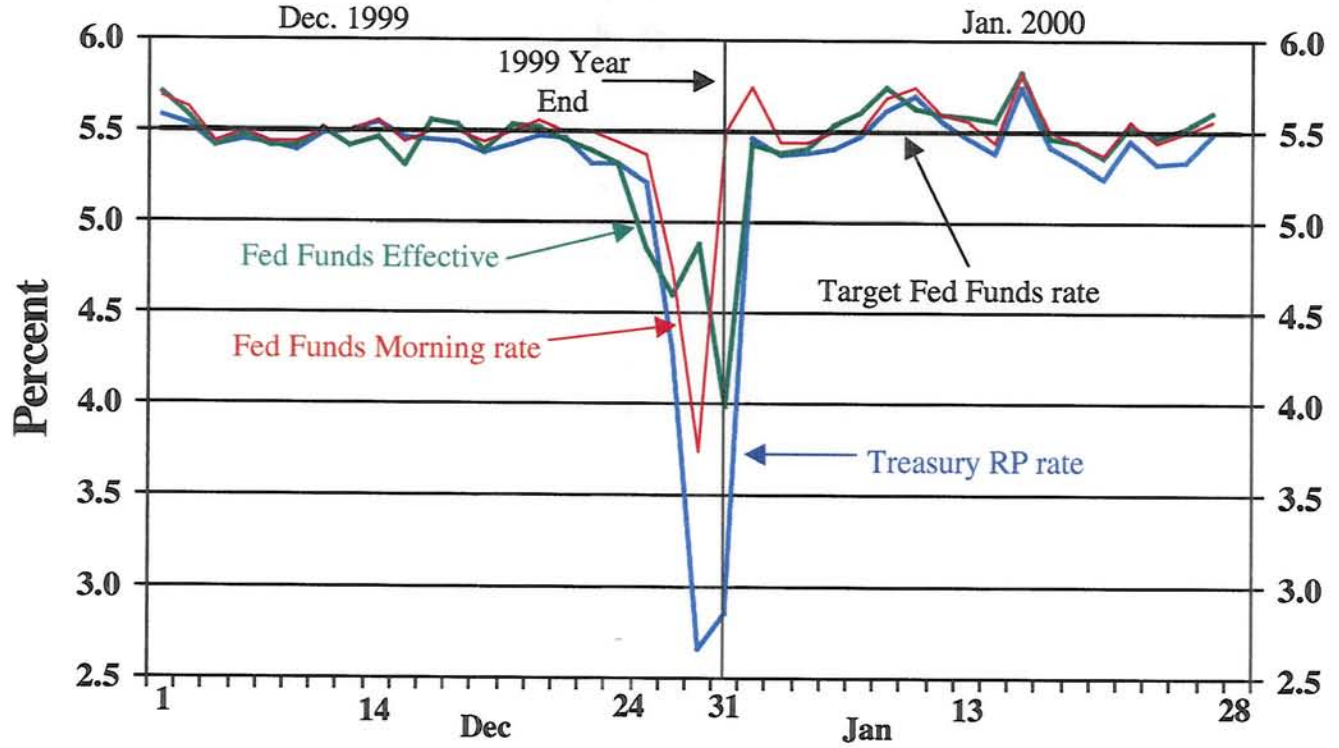
RESERVE IMPACT OF TEMPORARY OPERATIONS SURROUNDING THE YEAR-END

daily levels

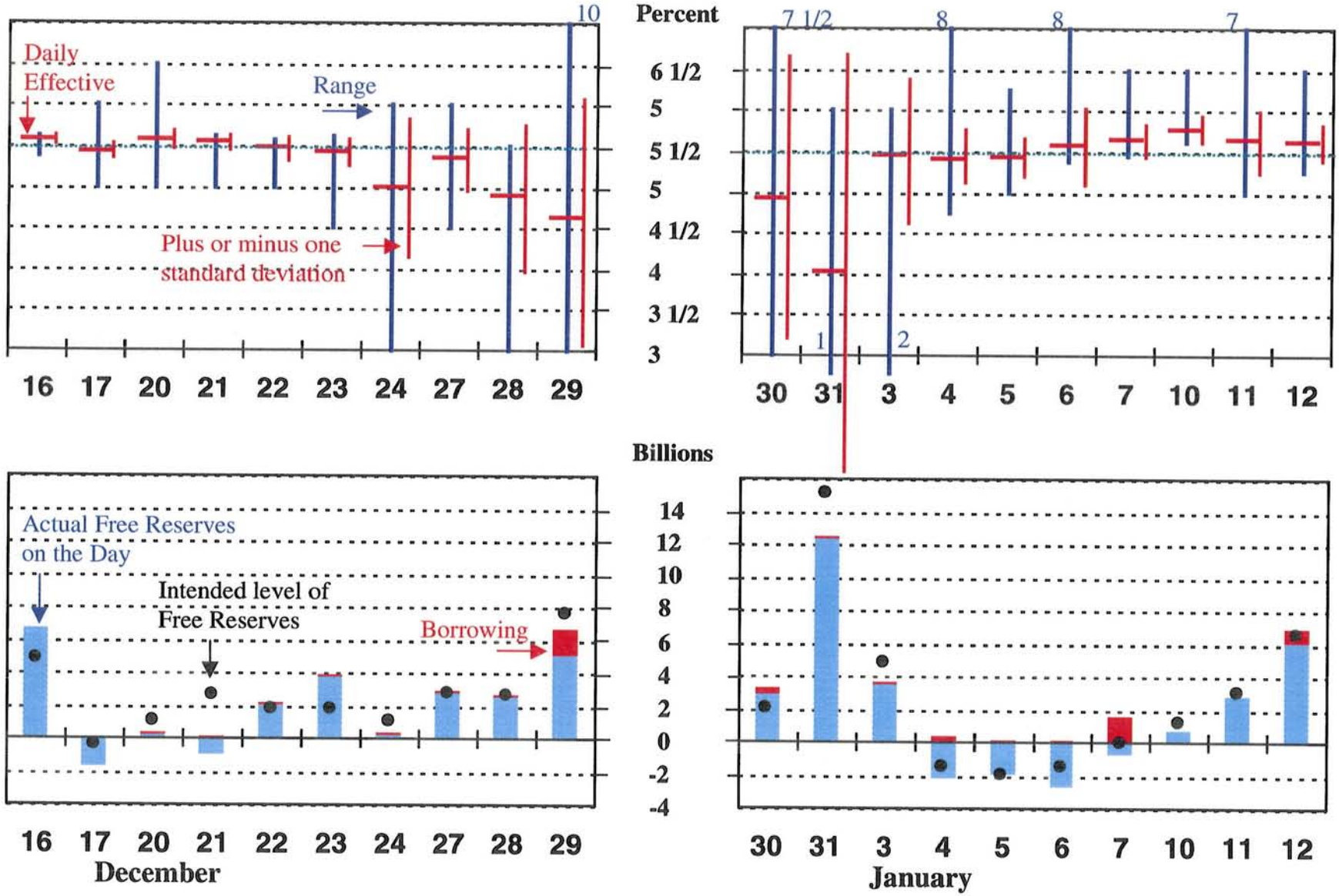


TREASURY RP, MORNING FED FUNDS AND FED FUNDS EFFECTIVE RATES



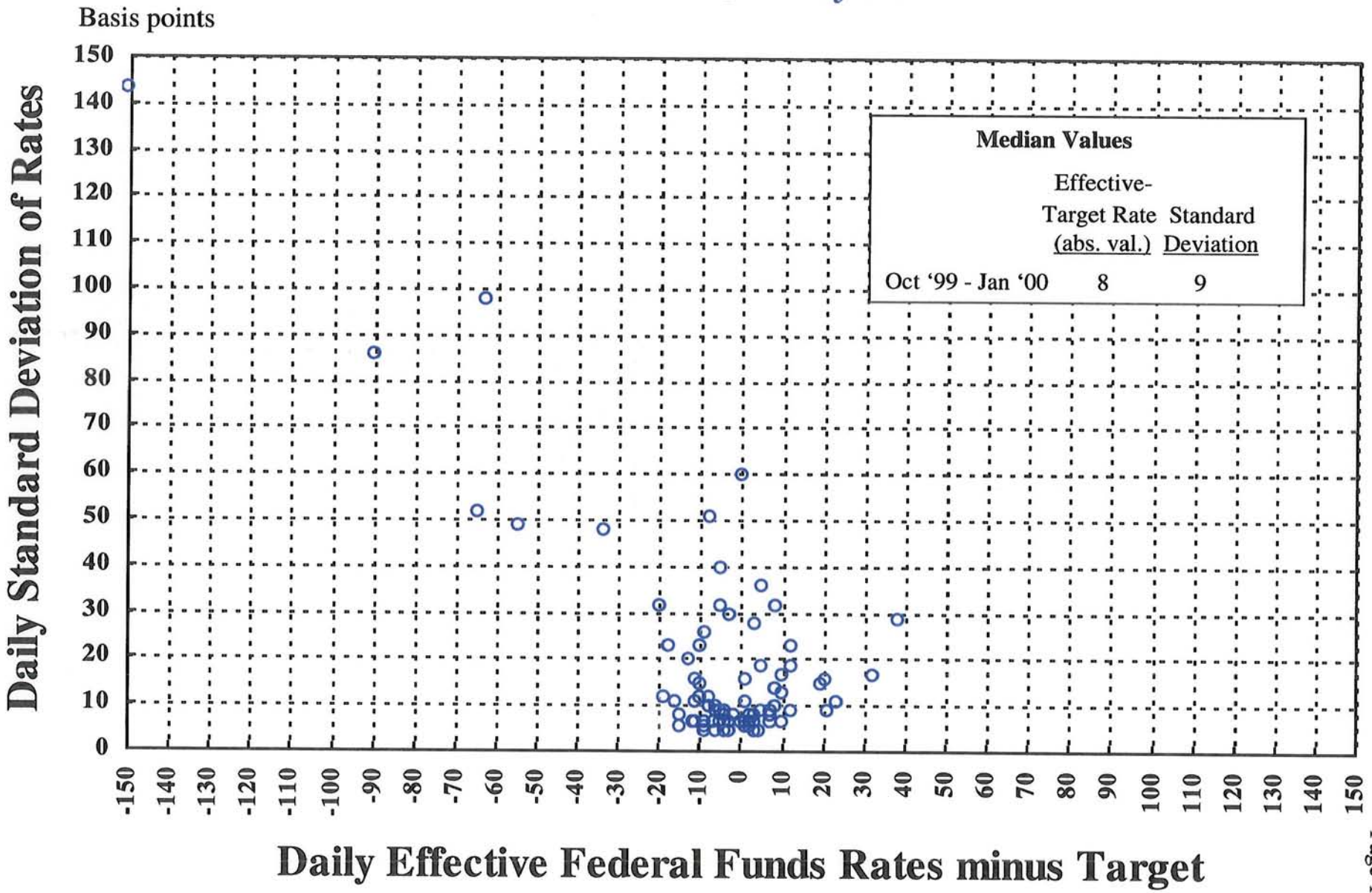


Daily Federal Funds Rate Behavior and Reserve Levels Around the Year End



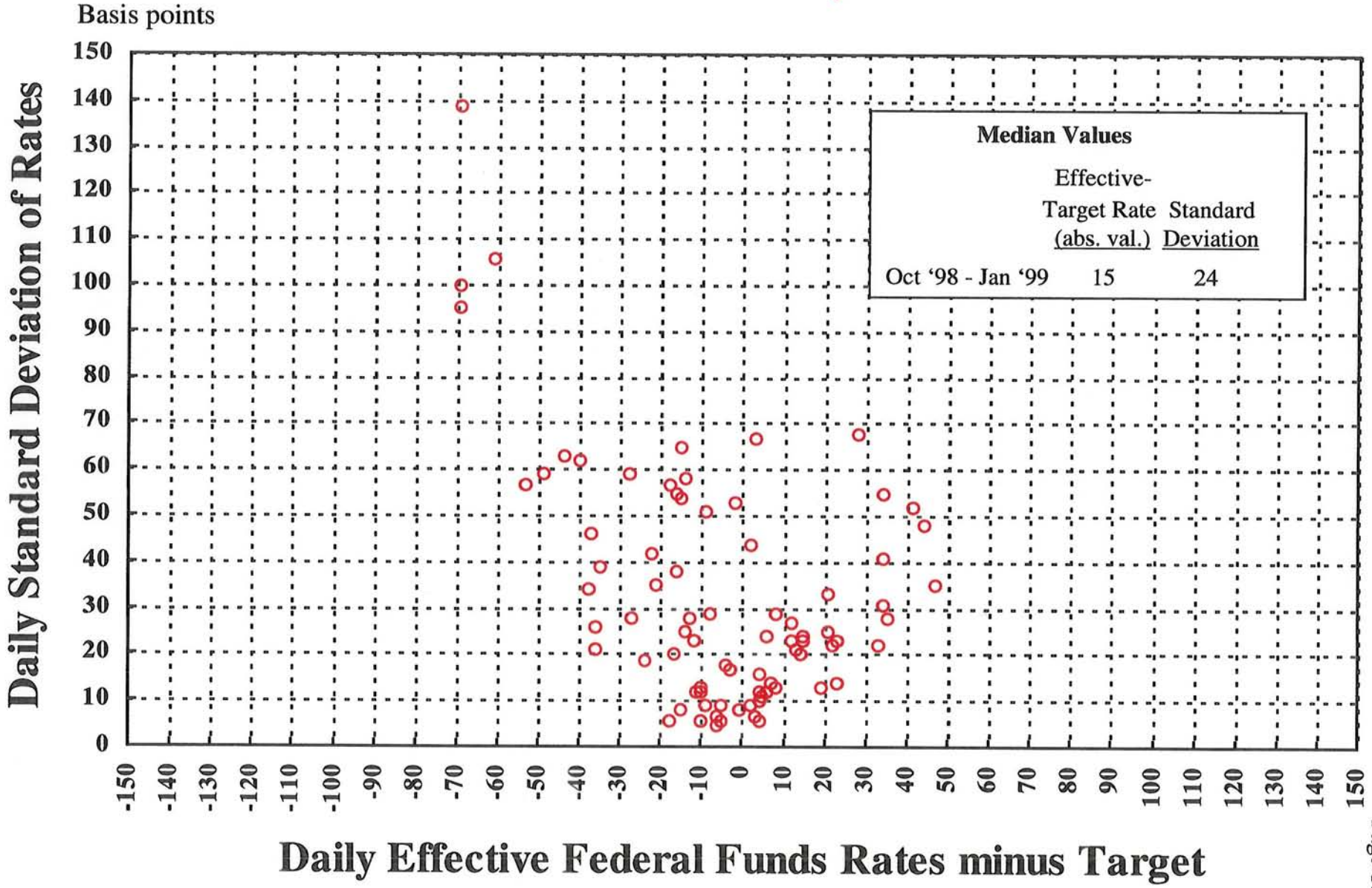
Volatility of the Daily Federal Funds Rate

October 1999 - January 2000



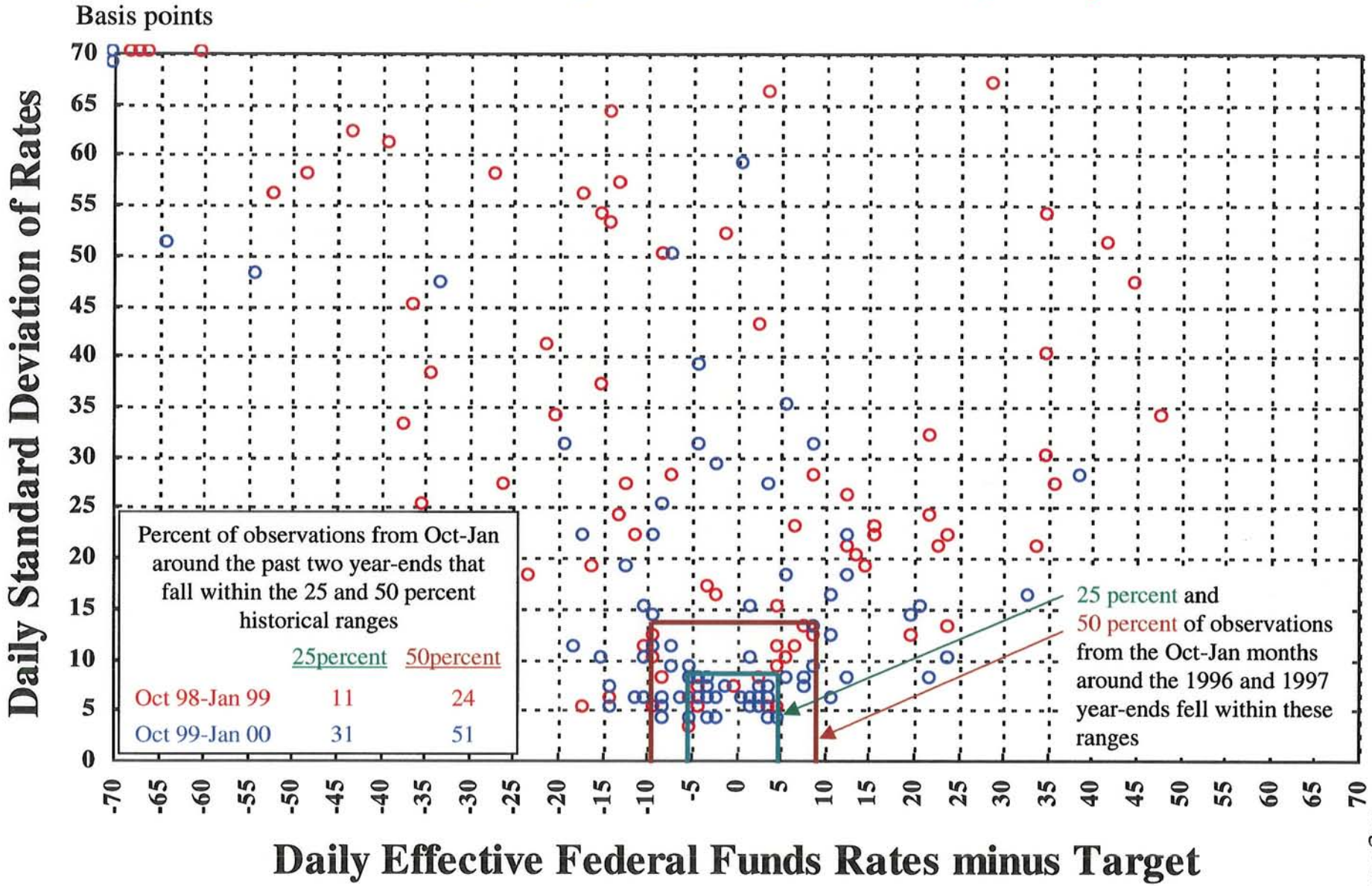
Volatility of the Daily Federal Funds Rate

October 1998 - January 1999



Volatility of the Daily Federal Funds Rate

October 1999 - January 2000 vs. October 1998 - January 1999



APPENDIX 2

Charts used by Mr. Prell, Ms. Johnson, and Mr. Stockton.

STRICTLY CONFIDENTIAL (FR) CLASS I-FOMC*

Material for

Staff Presentation on the Economic Outlook

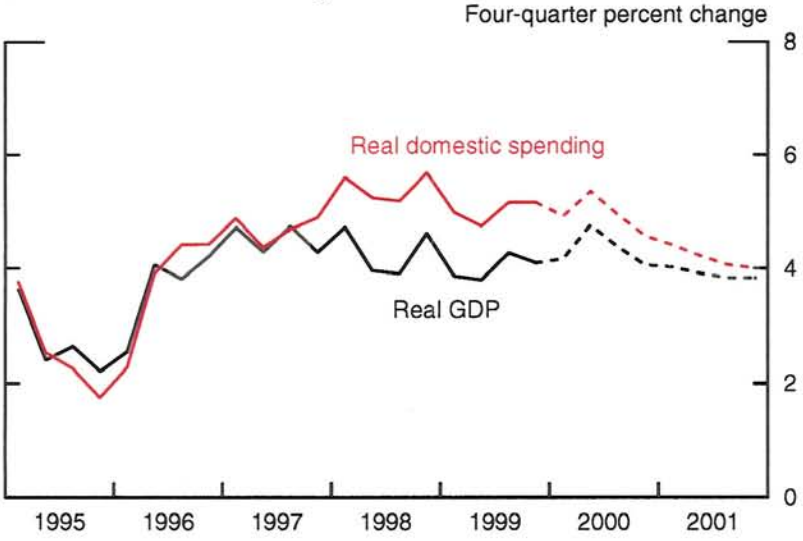
February 1, 2000

* Downgraded to Class II upon release of the February 2000 Humphrey-Hawkins report.

Chart 1

Forecast Summary

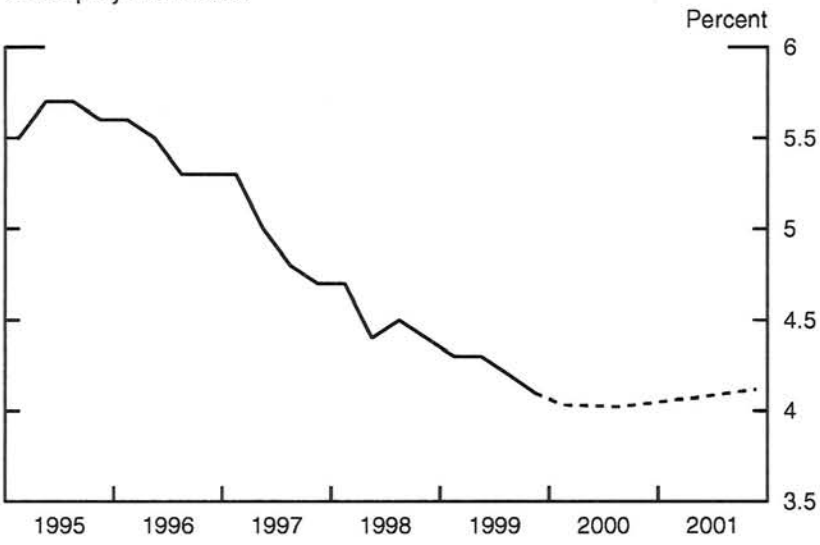
Growth in Economic Activity



Percent change, Q4/Q4	GDP	Domestic spending
1995	2.2	1.7
1996	4.2	4.4
1997	4.3	4.9
1998	4.6	5.7
1999	4.1 *(4.2)*	5.2 *(5.4)*
2000	4.1	4.6
2001	3.8	4.0

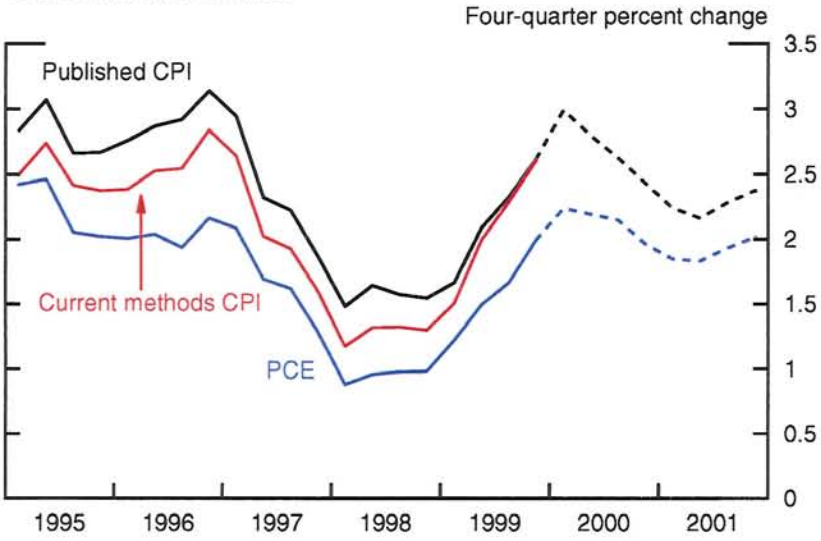
BEA estimates in parentheses.

Unemployment Rate



Q4 average	
1995	5.6
1996	5.3
1997	4.7
1998	4.4
1999	4.1
2000	4.0
2001	4.1

Consumer Price Inflation



Percent change, Q4/Q4	Published CPI	PCE
1995	2.7	2.0
1996	3.1	2.2
1997	1.9	1.3
1998	1.5	1.0
1999	2.6	2.0 *(2.0)*
2000	2.4	2.0
2001	2.4	2.0

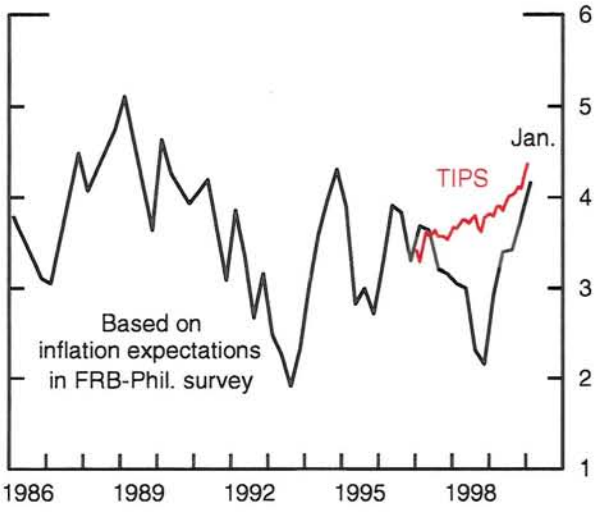
Chart 2

Financial Conditions

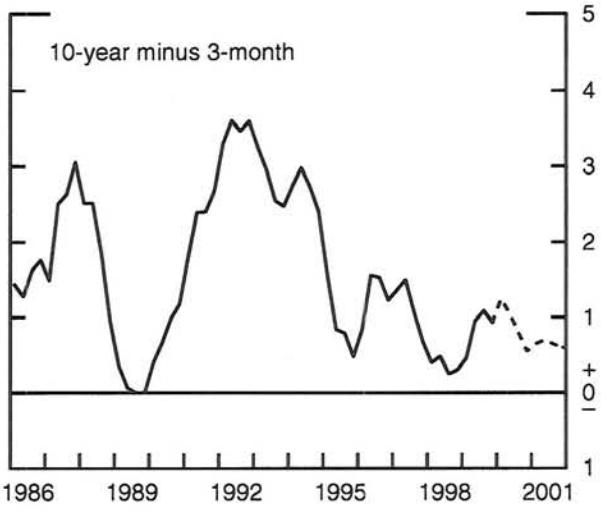
S&P 500 P/E

NASDAQ P/E

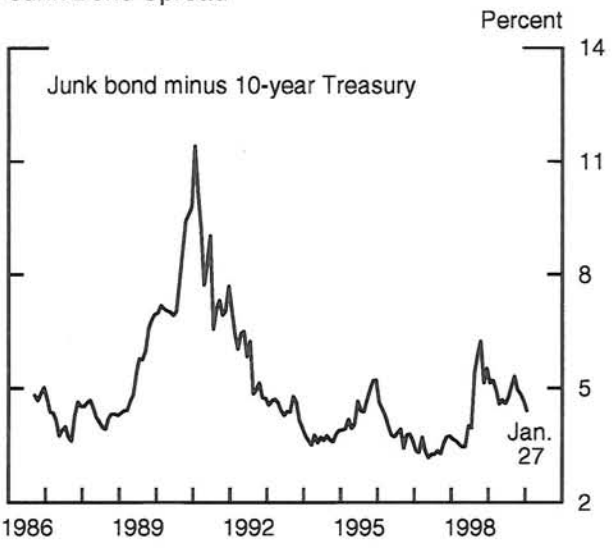
Real Ten-Year Treasury Yields



Treasury Term Structure Slope



Junk Bond Spread



Bank Business Lending Standards

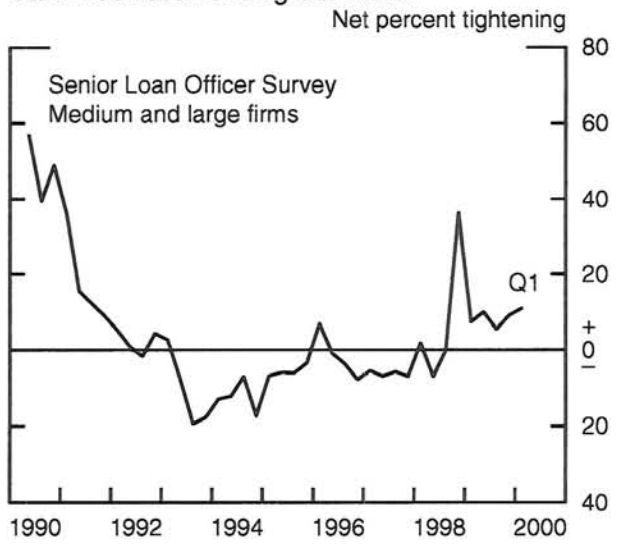
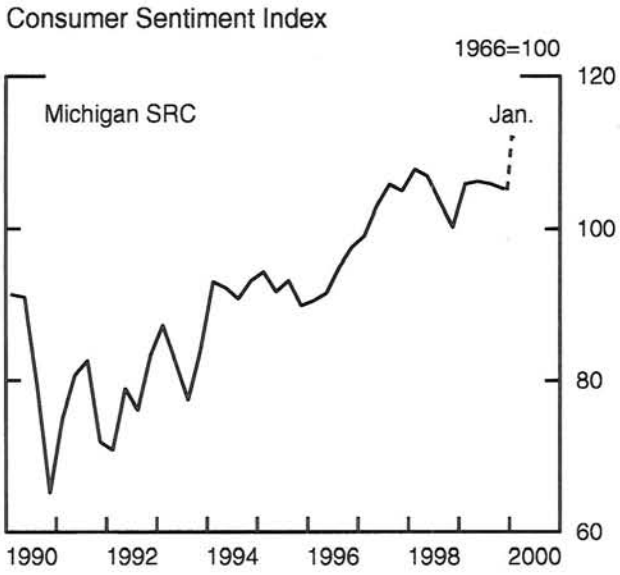
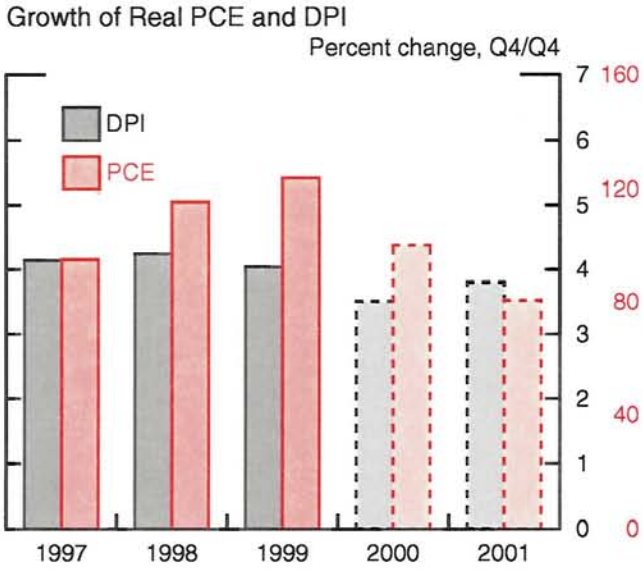
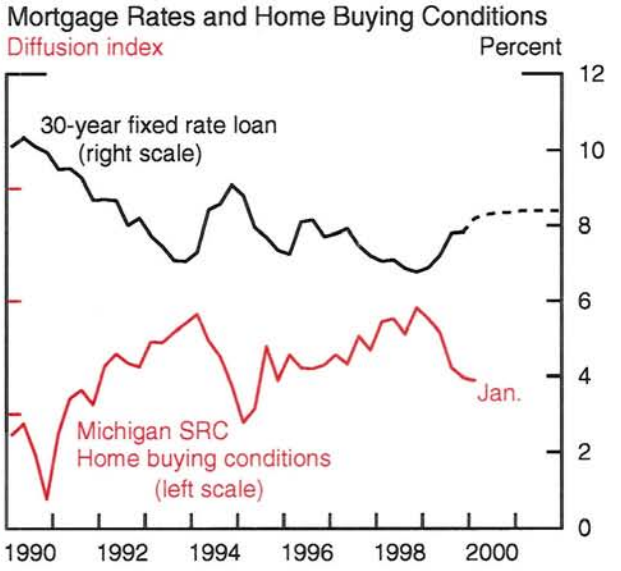


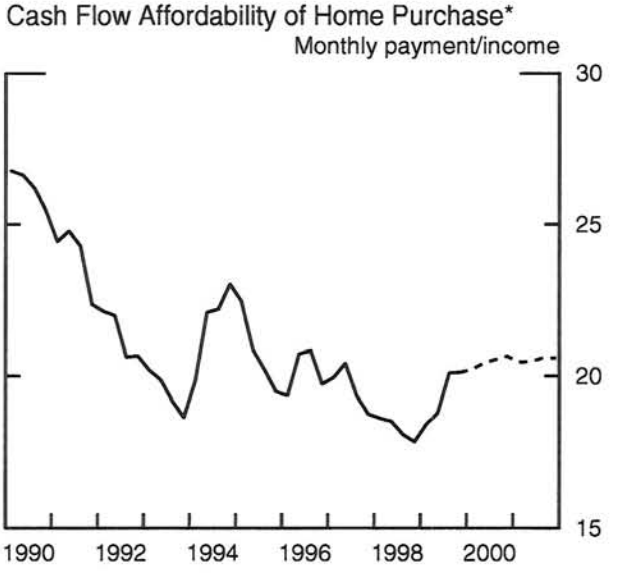
Chart 3

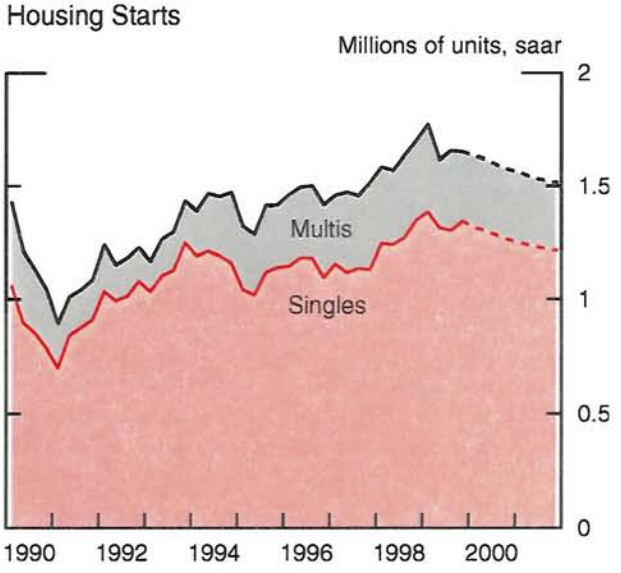
Household Spending









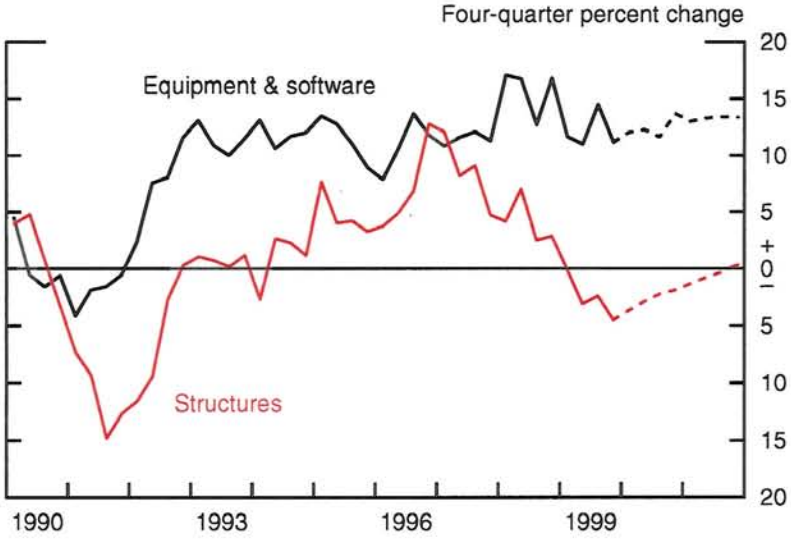


* Based on new home, 30-year FRM.

Chart 4

Business Spending

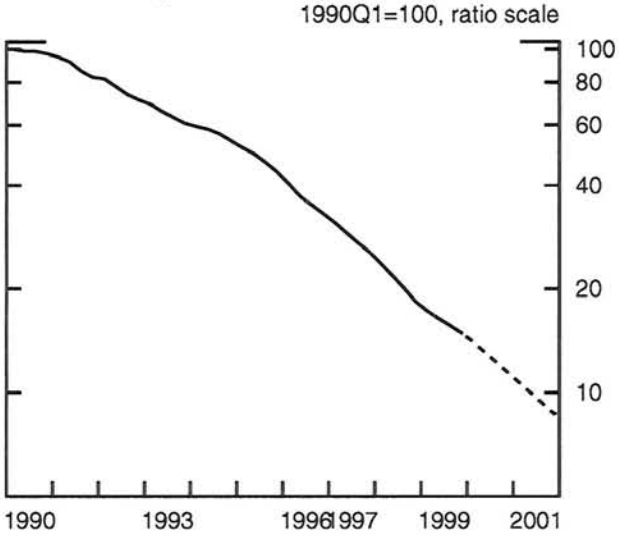
Real Business Fixed Investment



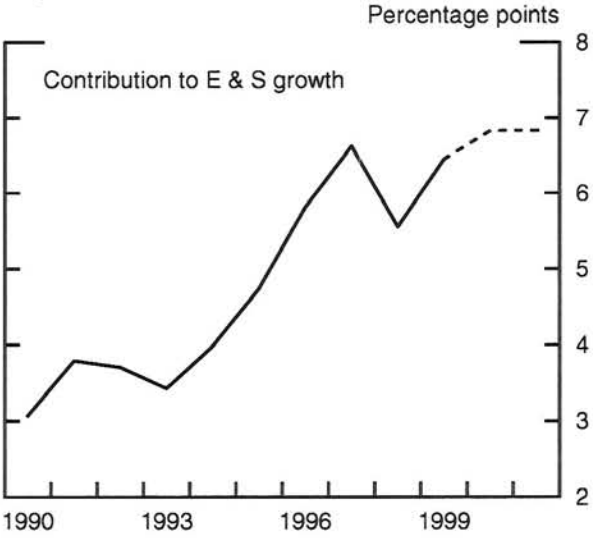
Total Real BFI
Percent change, Q4/Q4

1995	7.5
1996	12.1
1997	9.6
1998	13.1
1999	7.2 *(7.0)*
2000	10.1
2001	10.5

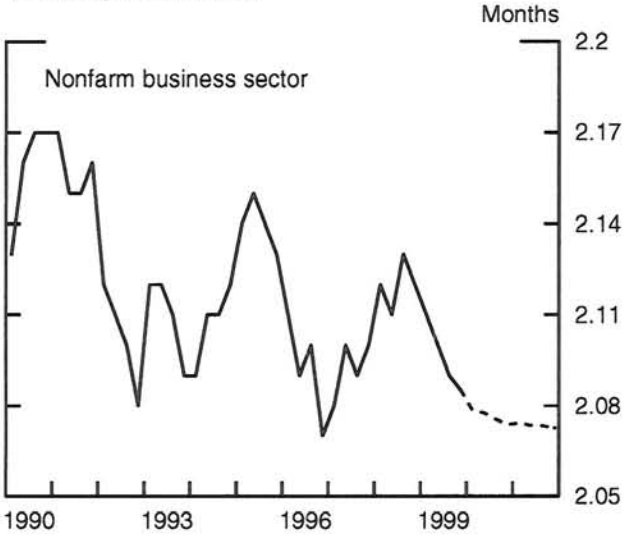
Price of Computers



Replacement Investment



Inventory-Sales Ratio



Growth of Nonfarm Inventories

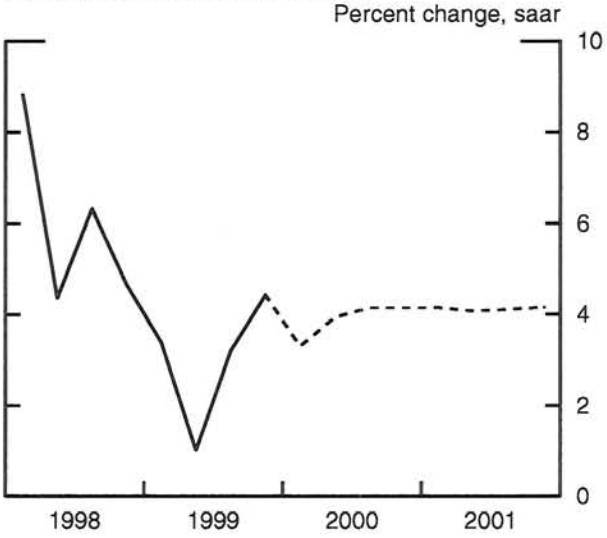
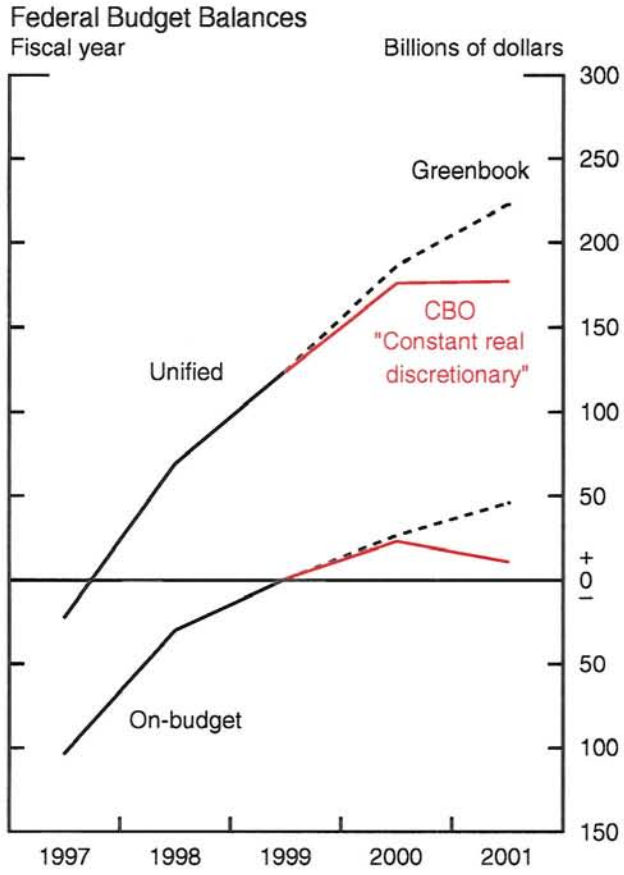
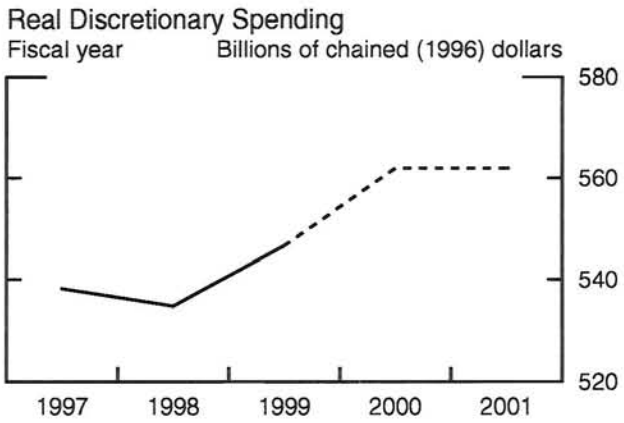
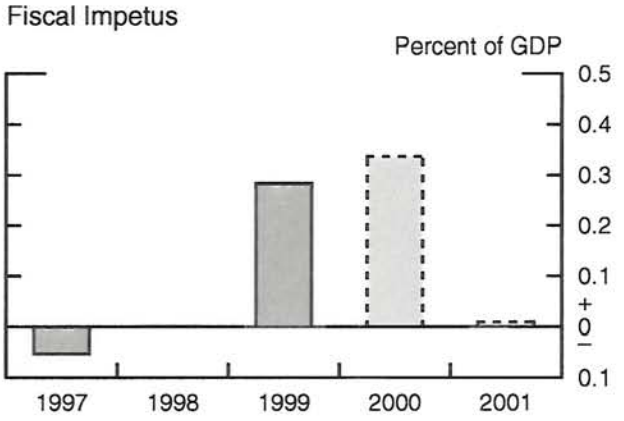


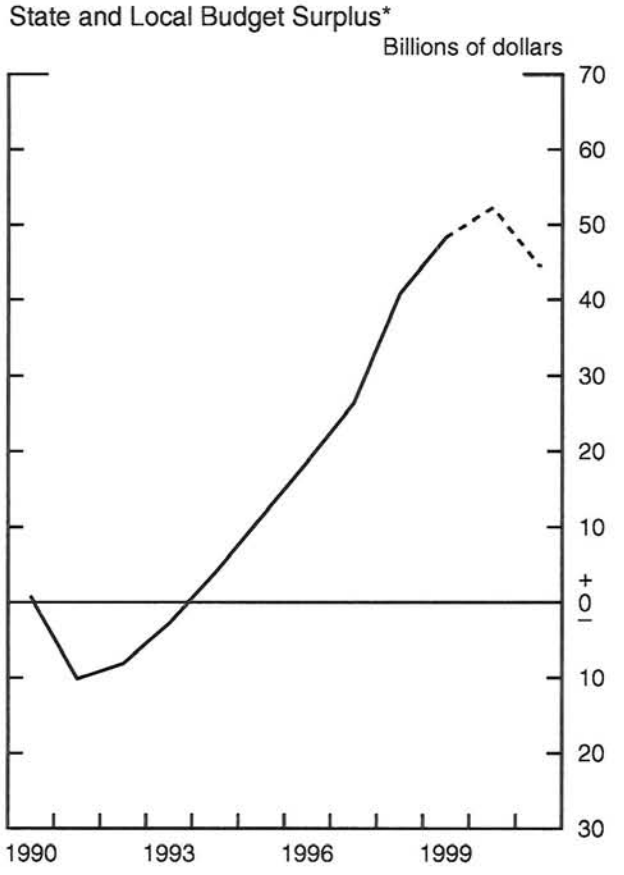
Chart 5

Government Sector

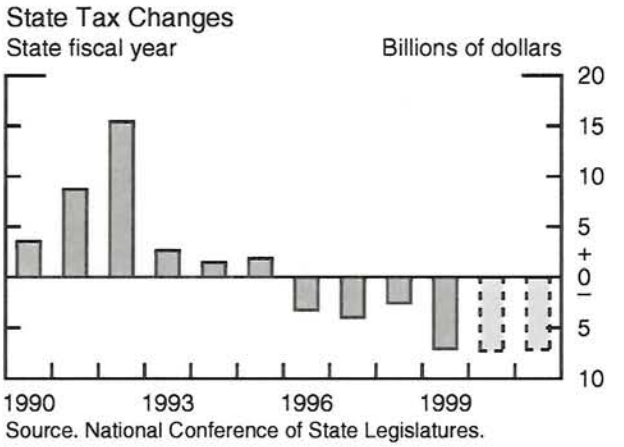








* Excludes social insurance funds.



Source. National Conference of State Legislatures.

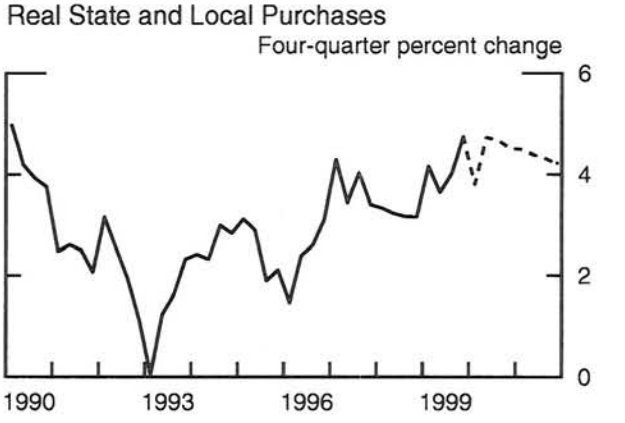
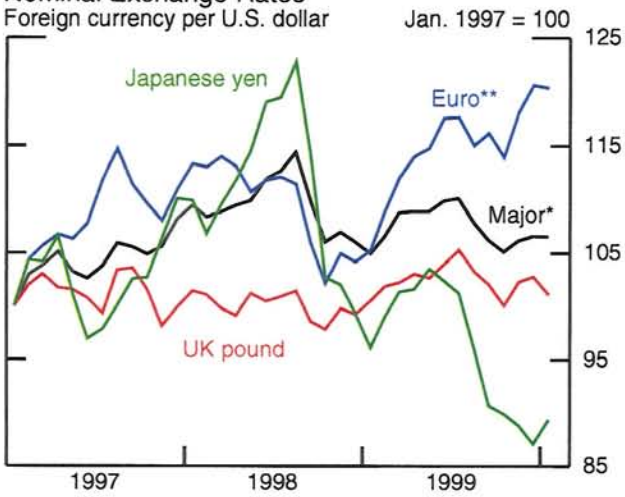


Chart 6

Exchange Rates

Nominal Exchange Rates
Foreign currency per U.S. dollar

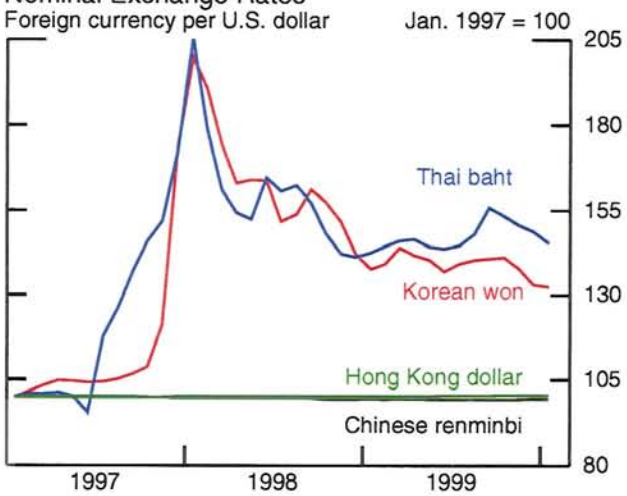


*Trade weighted-average dollar against major international currencies
**Restated German mark 1997 through 1998

Interest Rates

	Level 1/31/00	Change 6/29/99 to 1/31/00
Three-Month		
1. Euro	3.49	0.83
2. Japan	0.06	0.02
3. United Kingdom	6.04	0.91
4. United States	6.00	0.68

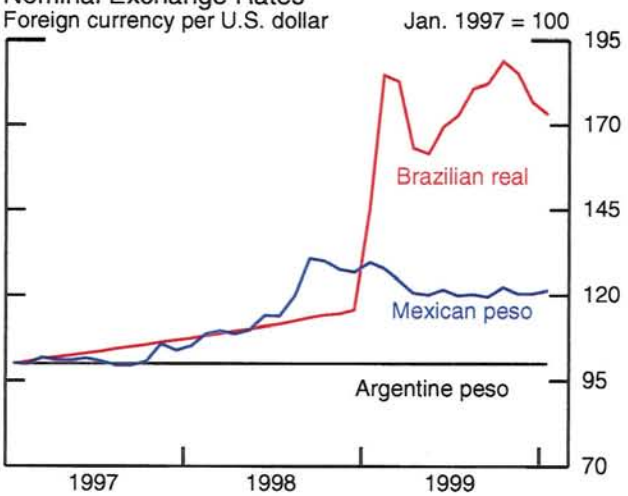
Nominal Exchange Rates
Foreign currency per U.S. dollar



Interest Rates

	Level 1/31/00	Change 6/29/99 to 1/31/00
One-Month Domestic		
1. Korea	6.00	0.50
2. Thailand	3.50	-0.50
3. Hong Kong	5.85	0.04
Offshore-Dollar Bond Spreads		
4. China	1.23	-0.26
5. Korea	1.36	-0.58
6. Thailand	1.29	-0.50

Nominal Exchange Rates
Foreign currency per U.S. dollar



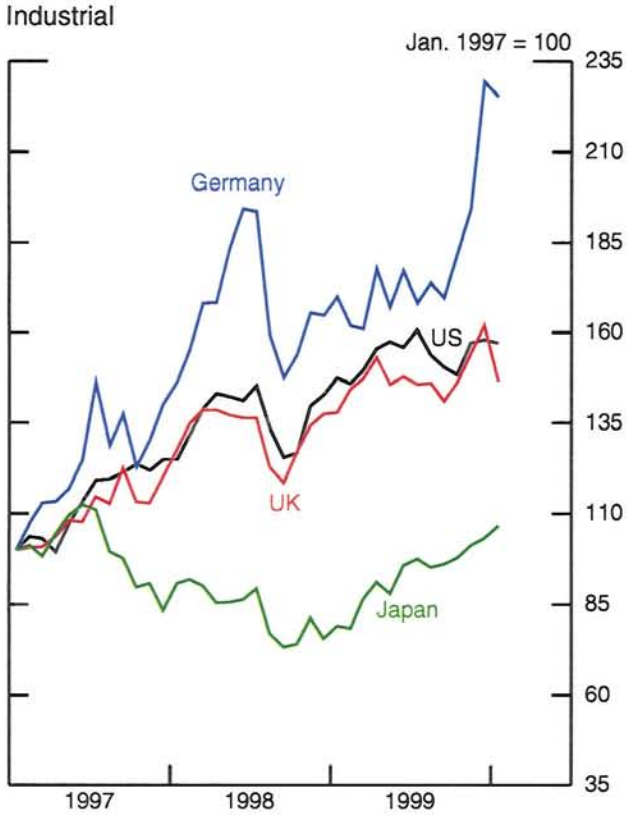
Interest Rates

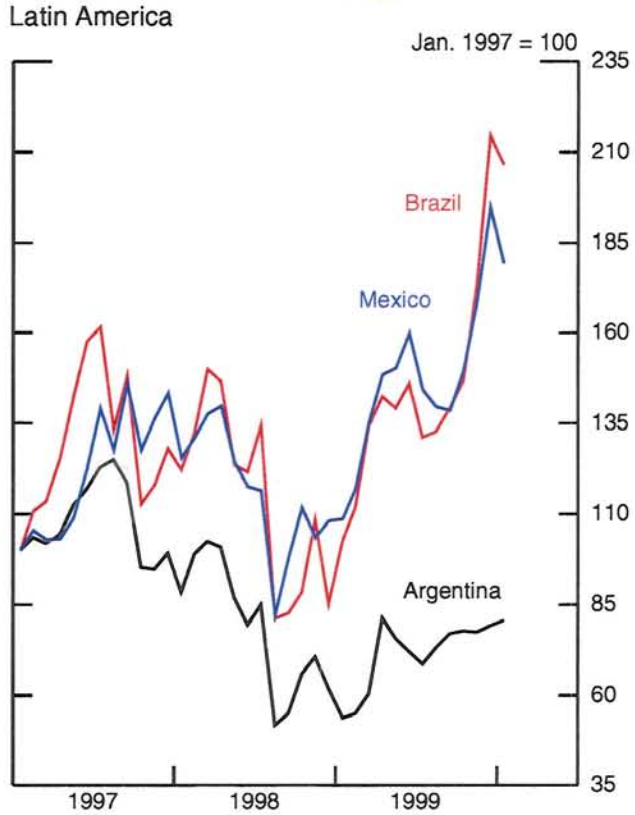
	Level 1/31/00	Change 6/29/99 to 1/31/00
One-Month Domestic		
1. Argentina	8.25	-0.25
2. Brazil	19.90	-1.80
3. Mexico (1/28)	16.95	-3.25
Brady Bond Yield Spreads		
4. Argentina	8.22	-1.49
5. Brazil	8.59	-3.19
6. Mexico	5.10	-2.90

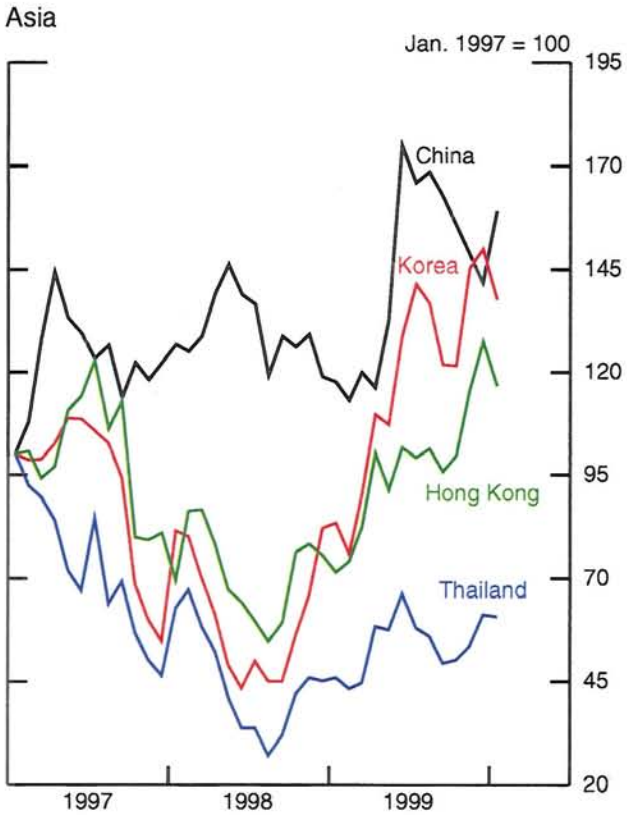
Chart 7

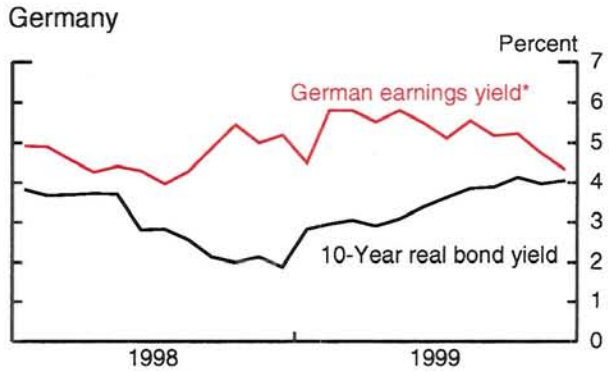
Stock Market Indexes

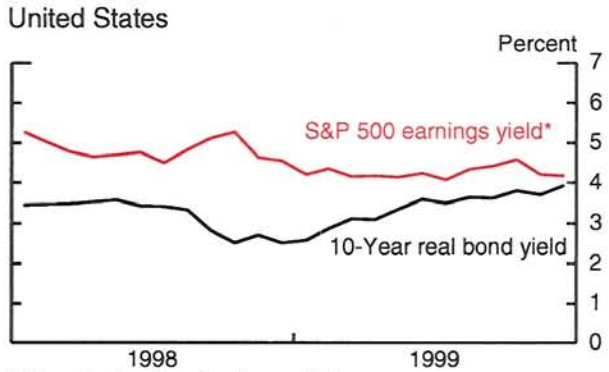
(Local currency)









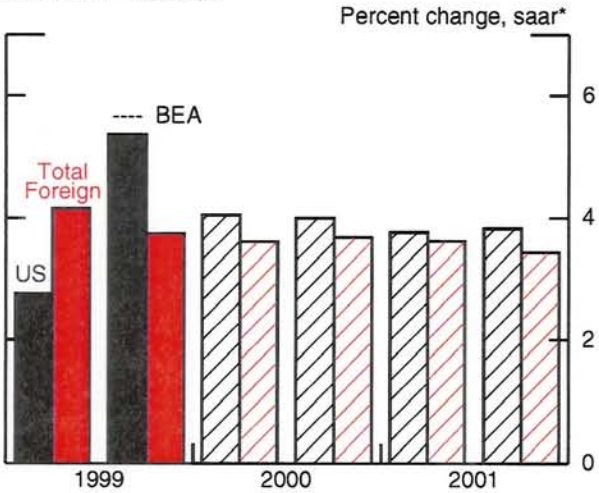


*12-month-ahead earnings forecast/Price

Chart 8

Foreign Outlook

Real GDP Growth



*Half years are Q2/Q4 and Q4/Q2.

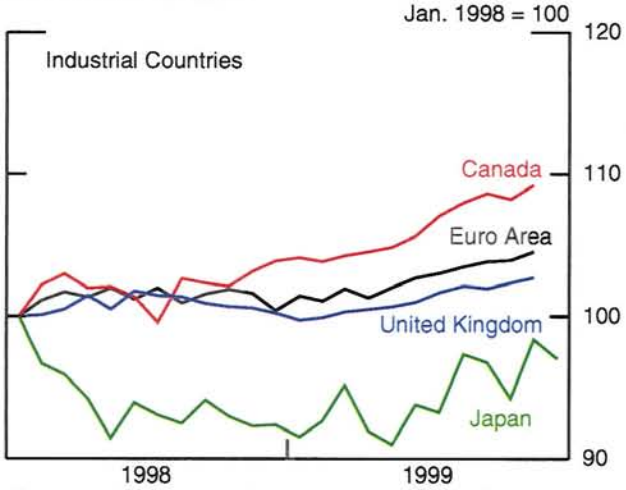
Real GDP Growth*

Percent change, saar**

	1999 H1	1999 H2	2000	2001
1. Japan	5.1	-1.3	0.9	1.3
2. Canada	3.6	4.3	3.3	2.9
3. Euro Area	2.2	3.6	3.2	3.0
4. United Kingdom	1.7	3.7	2.8	2.4
5. Developing Asia	9.5	5.6	5.8	6.3
6. Latin America	3.0	4.3	3.8	4.0

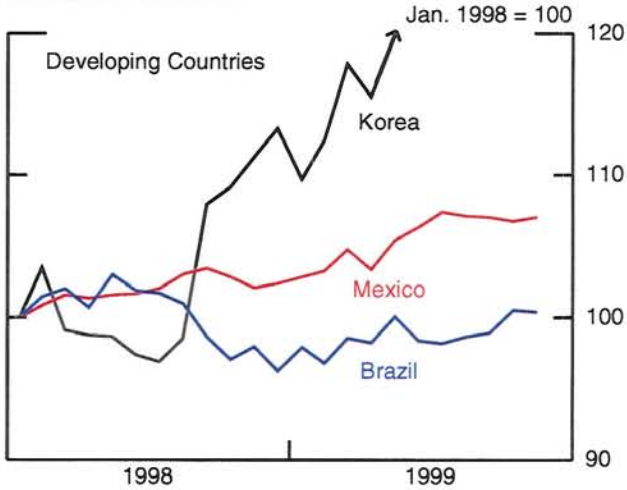
*US nonagricultural export weights. **Years are Q4/Q4; half years are either Q2/Q4 or Q4/Q2.

Industrial Production

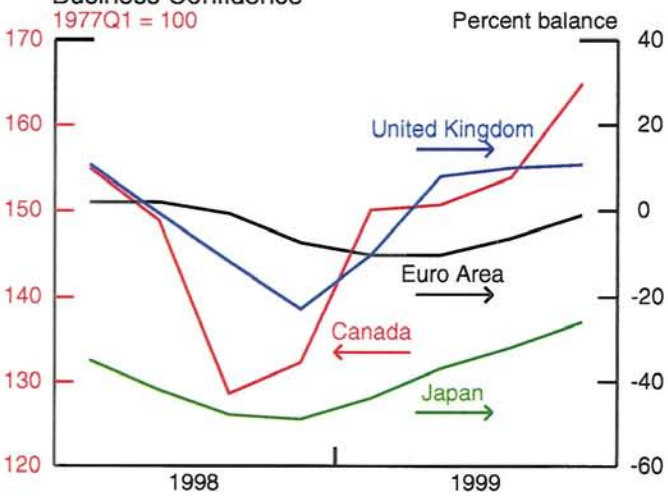


*Euro area IP excludes construction; Japanese IP is working-day adjusted for mining and manufacturing, and excludes utilities.

Industrial Production



Business Confidence



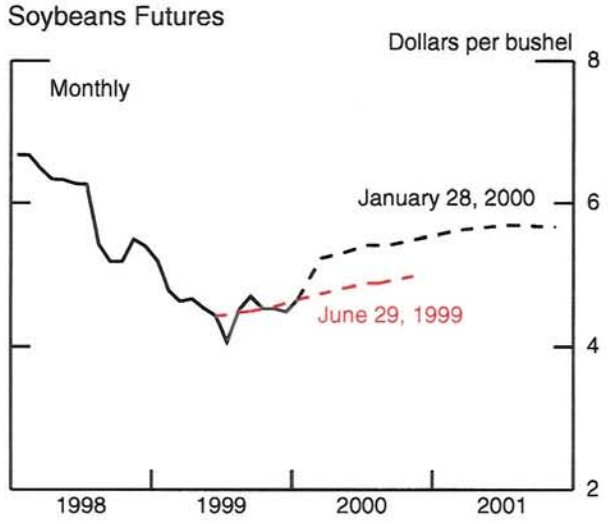
Current Account Balances

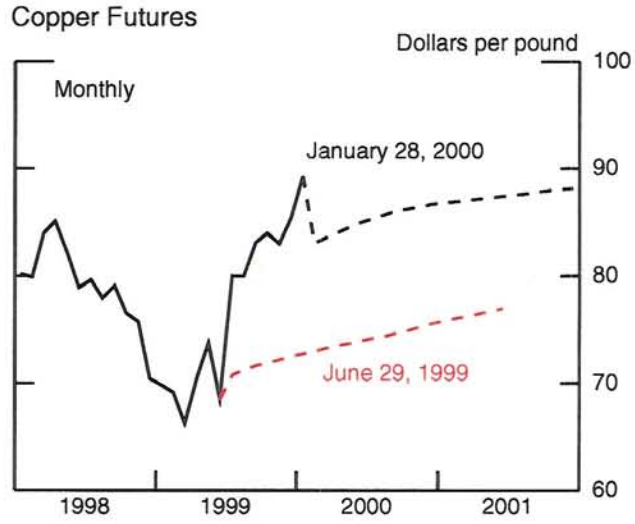
Billions of dollars

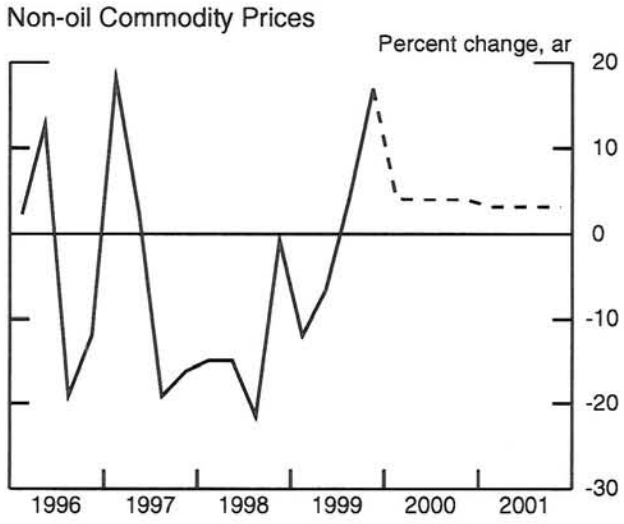
	1998	1999	2000	2001
1. Devel. Asia	**105**	**95**	**80**	**80**
2. Korea	41	26	19	14
3. China	29	14	17	17
4. Latin America	**-84**	**-56**	**-42**	**-50**
5. Mexico	-16	-12	-13	-16
6. Brazil	-34	-25	-17	-17
7. Argentina	-14	-11	-12	-13

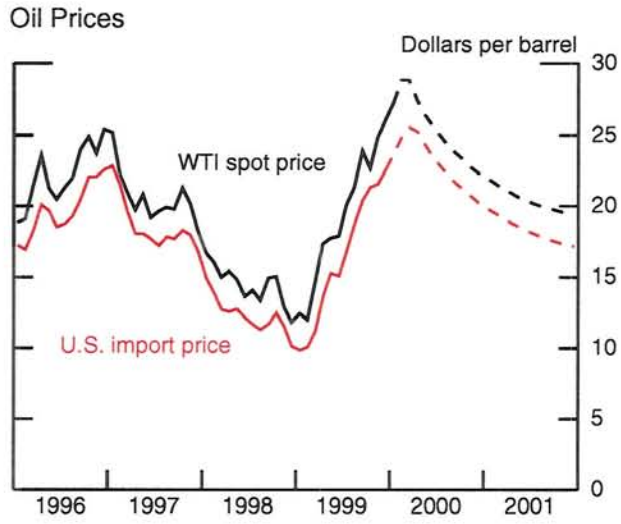
Chart 9

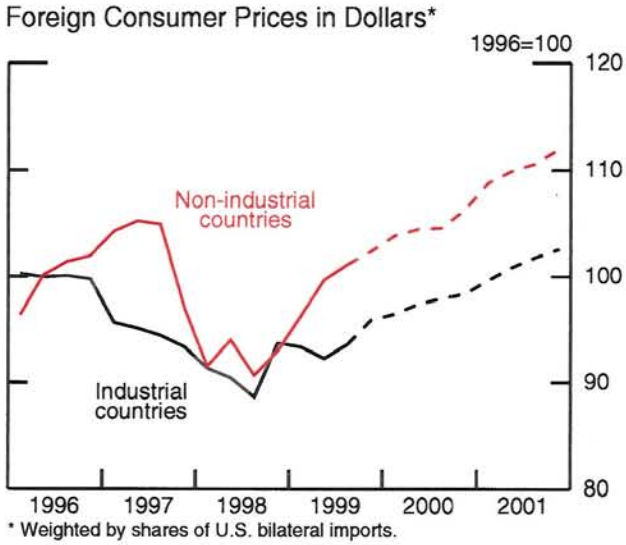
Global Prices











* Weighted by shares of U.S. bilateral imports.

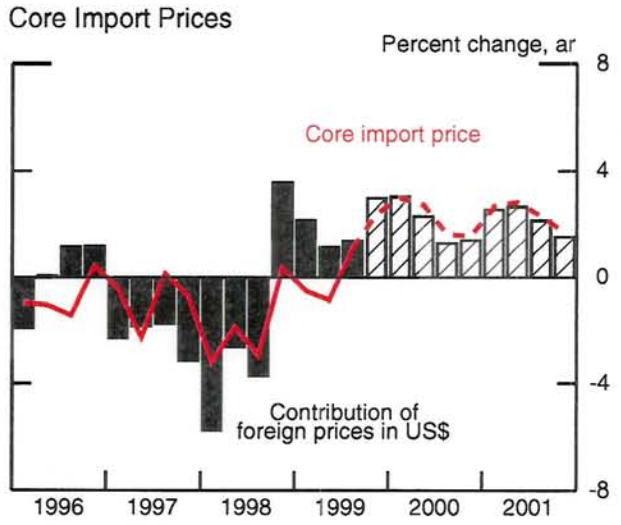
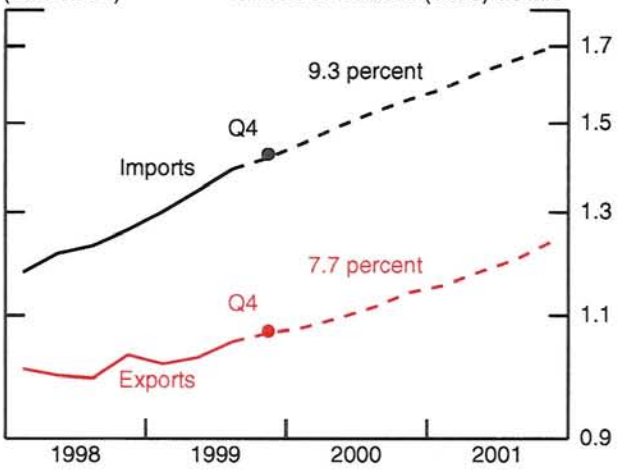


Chart 10

External Sector

Total Goods & Services
(ratio scale) Trillions of chained (1996) dollars



Core Goods

Percentage points, Q4/Q4

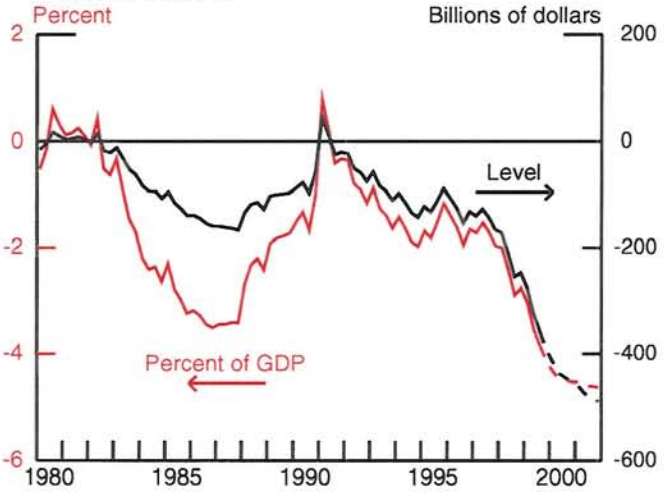
	1999	2000	2001
1. Core Exports	**2.4**	**4.2**	**5.7**
Contribution of			
2. For. GDP Growth	3.6	3.4	3.3
3. Relative Prices	-1.5	0.4	2.4
4. Core Imports	**13.1**	**7.3**	**6.4**
Contribution of			
5. U.S. GDP Growth	7.6	7.6	6.9
6. Relative Prices	2.5	-0.2	-0.5

Contribution to Real GDP Growth

Percentage points, ar

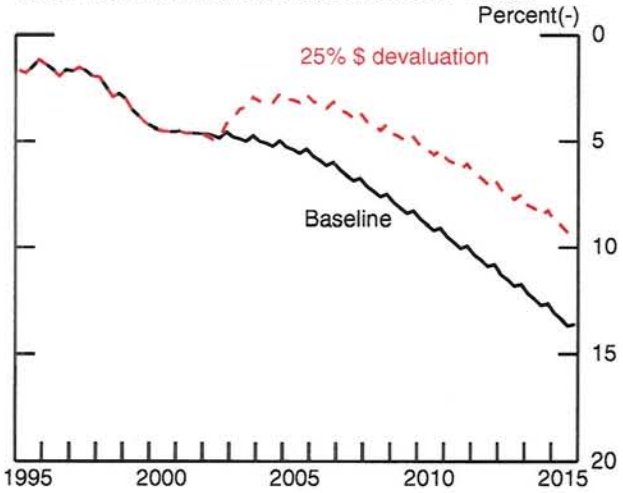
	Exports	Imports
1999 H1	-0.1	-1.7
H2	0.9 *(1.0)*	-1.5 *(-1.7)*
2000 H1	0.6	-1.5
H2	0.9	-1.3
2001 H1	0.7	-1.3
H2	1.1	-1.2

Current Account



U.S. Current Account Sustainability

U.S. Current Account Balance to GDP Ratio



U.S. Current Account Balance to GDP Ratio

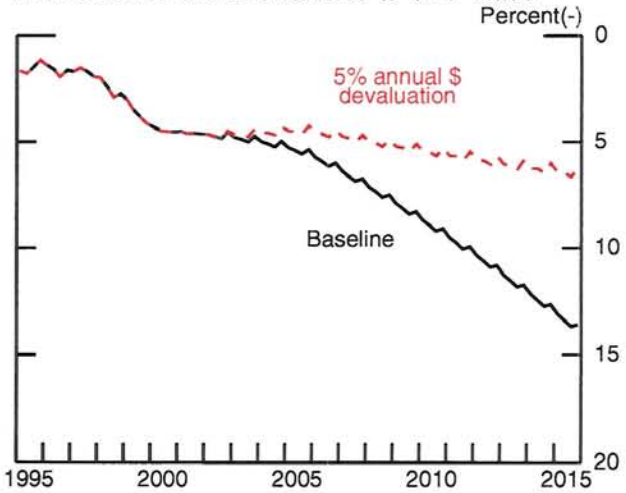
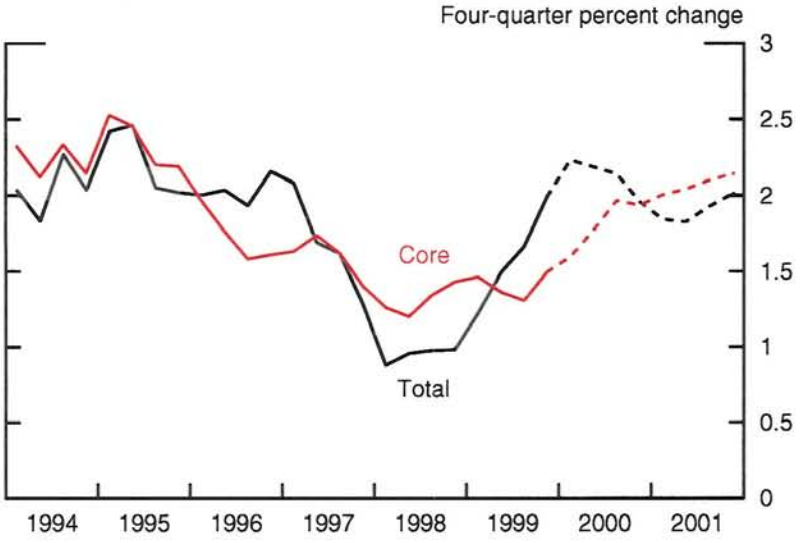


Chart 11

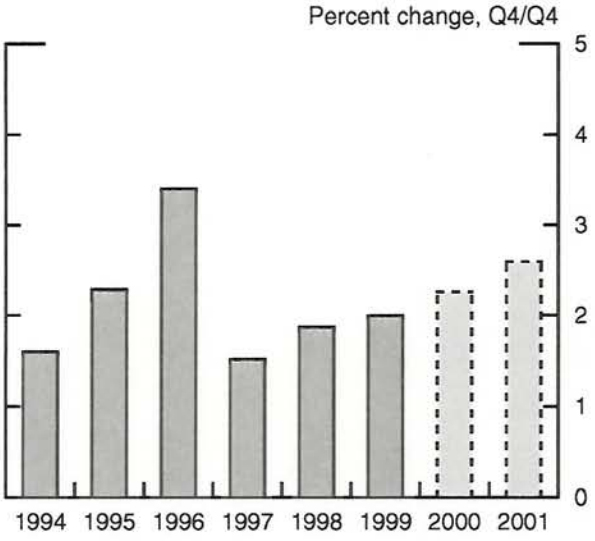
Inflation Projection

PCE Prices

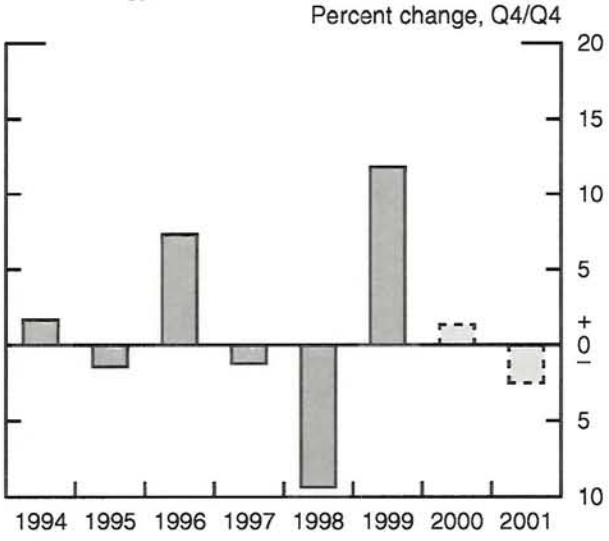


Percent change, Q4/Q4	Total	Core
1995	2.0	2.2
1996	2.2	1.6
1997	1.3	1.4
1998	1.0	1.4
1999	2.0	1.5
2000	2.0	1.9
2001	2.0	2.1

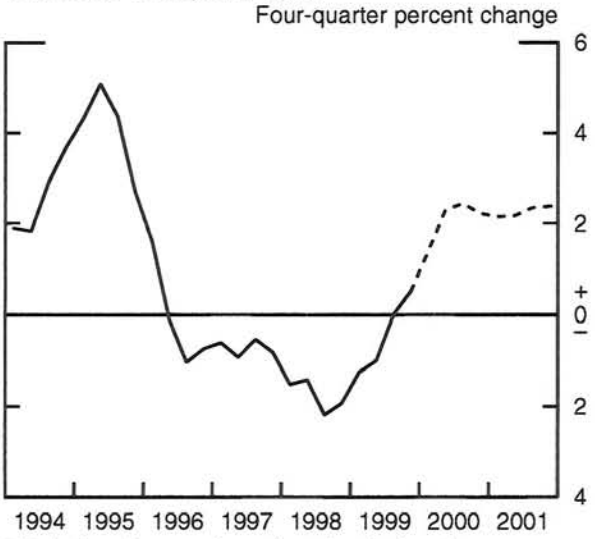
PCE Food



PCE Energy

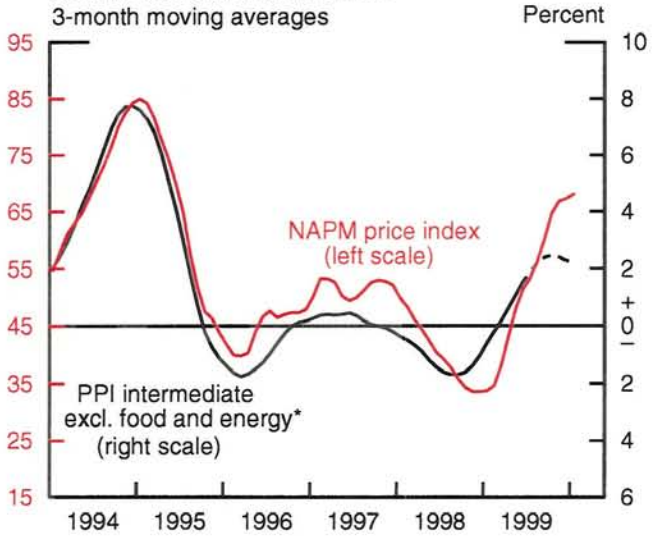


Core Non-oil Import Prices*



* Excluding oil, computer and semiconductor prices.

Intermediate Materials Prices

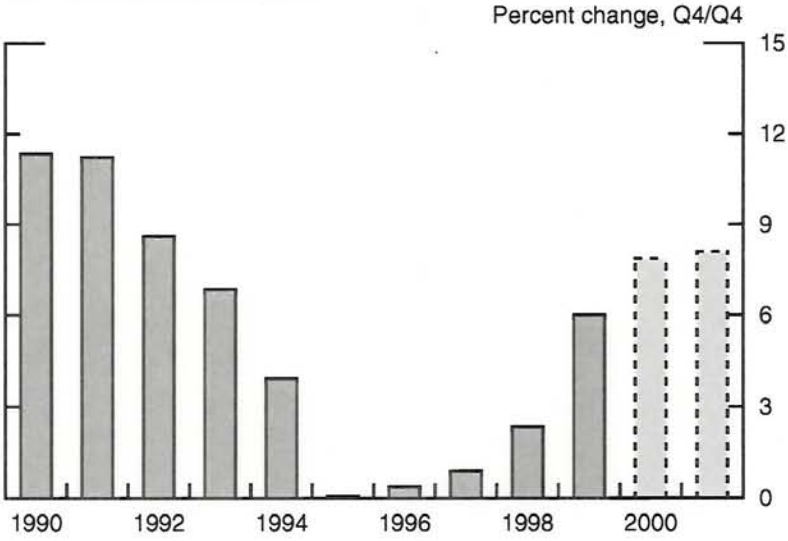


*Centered twelve-month change.

Chart 12

Inflation Influences

ECI Health Insurance Costs

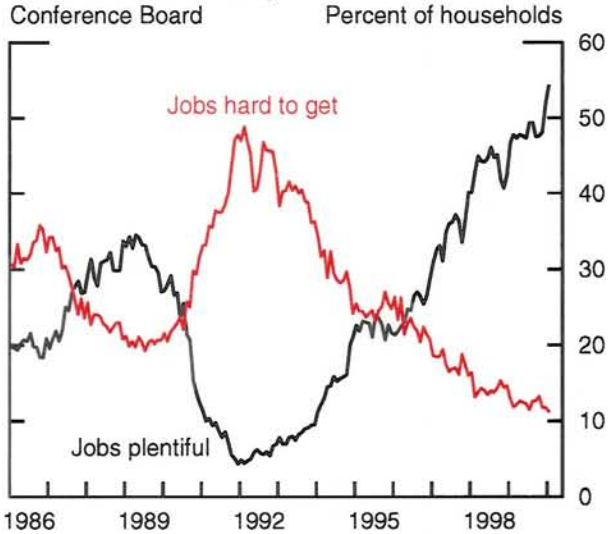


Minimum Wage Effects*

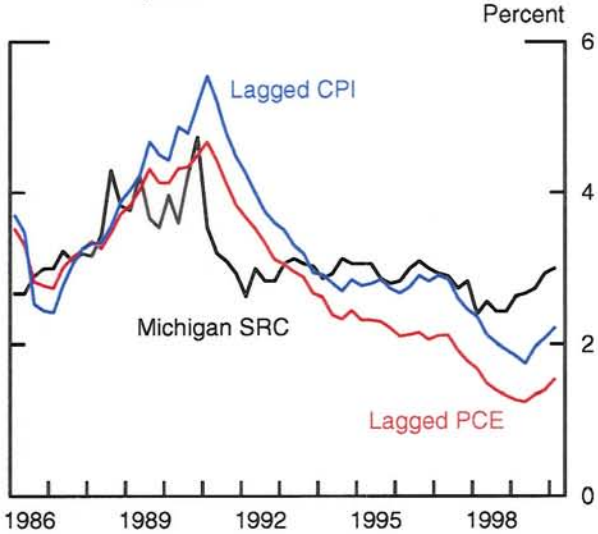
	2000	2001
ECI comp/hr.	.1	.2
NFB comp/hr.	.1	.2
PCE prices	.0	.1

* Effect on Q4/Q4 percent change.

Current Job Availability



Inflation Expectations



Labor Compensation

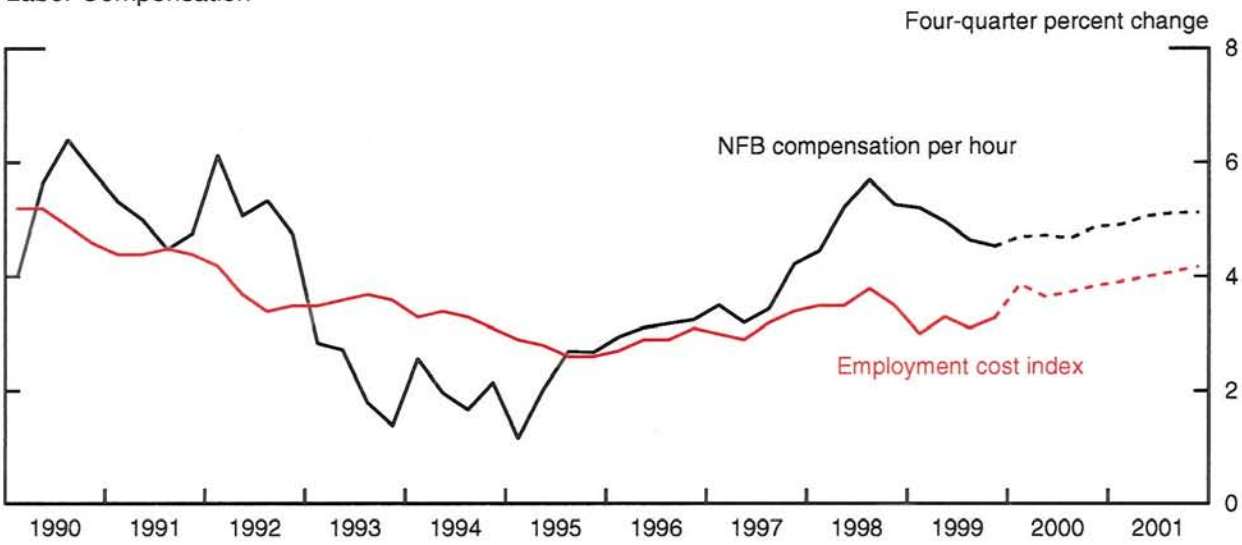
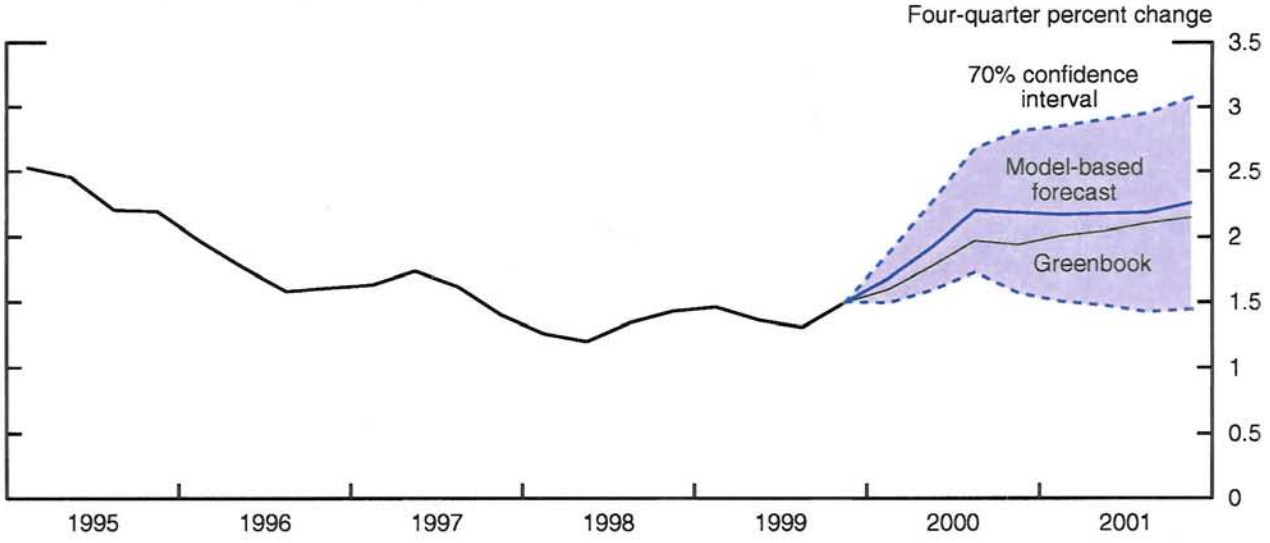


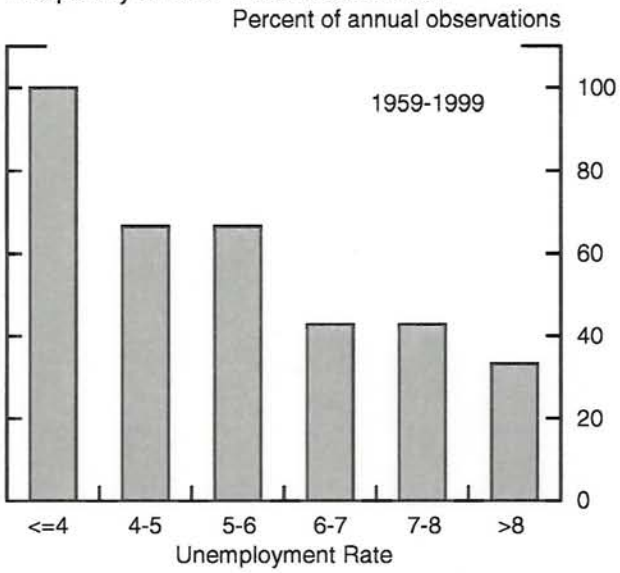
Chart 13

Inflation Uncertainties

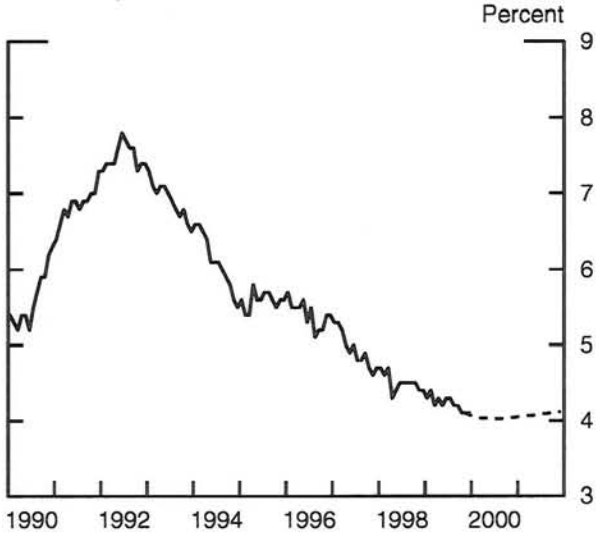
Model Simulation of Core PCE Prices



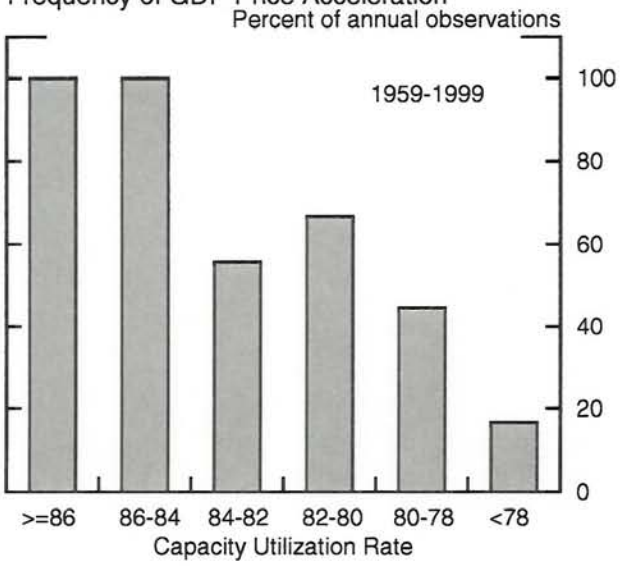
Frequency of GDP Price Acceleration



Unemployment Rate



Frequency of GDP Price Acceleration



Manufacturing Capacity Utilization

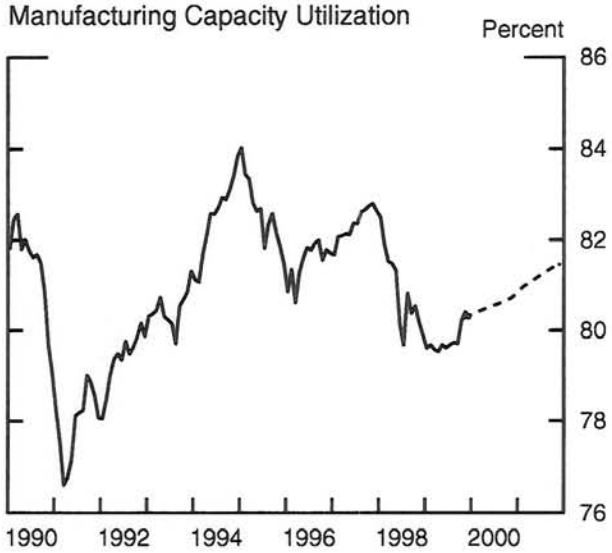
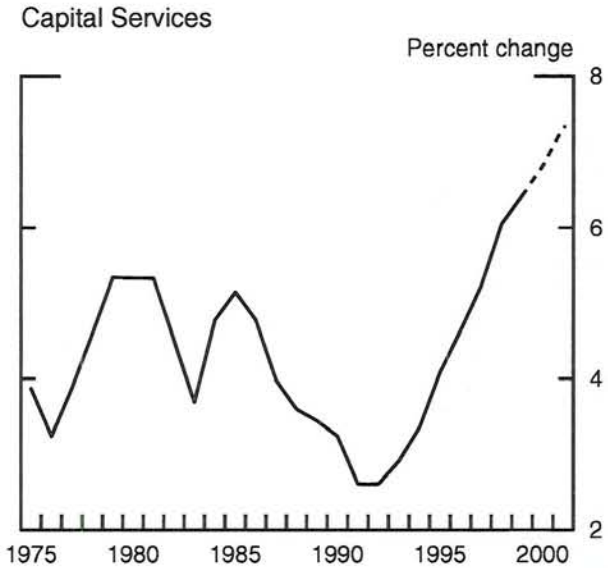


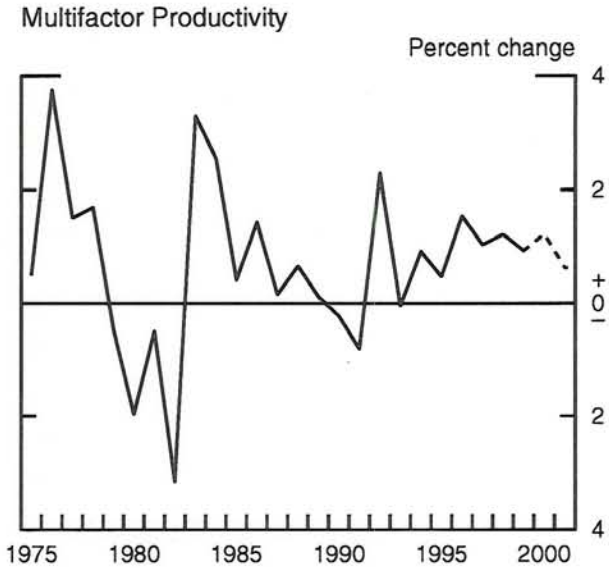
Chart 14

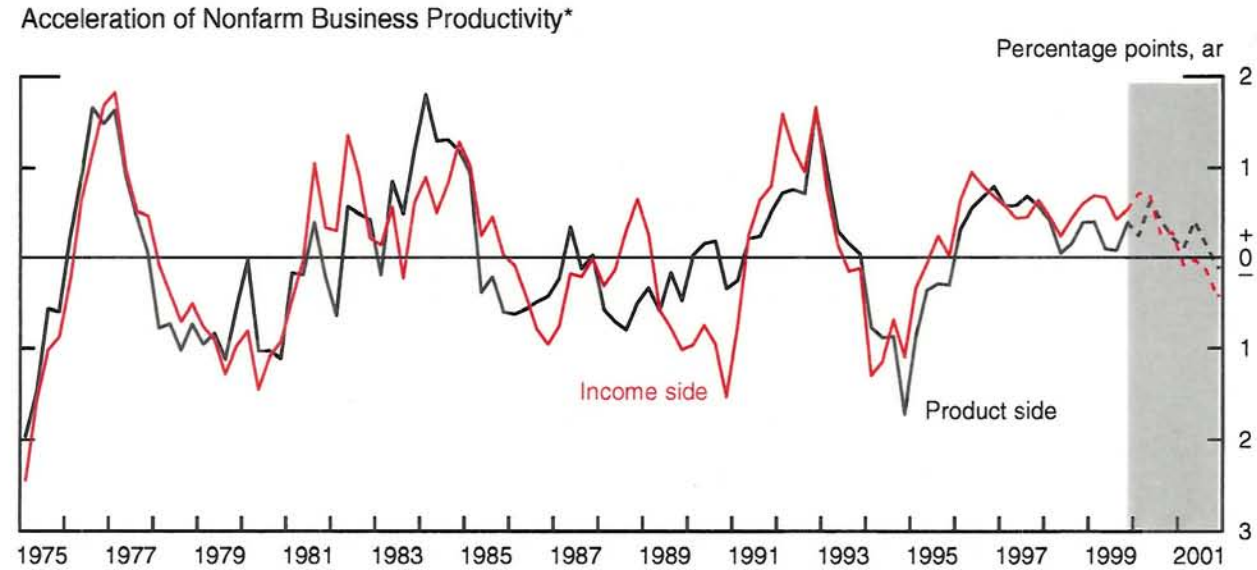
Supply–Side Components of Potential GDP
(Average annual growth rate)

	1980–1990	1991–1995	1996–1997	1998–1999	Projection 2000–2001
1. Potential GDP	3.0	2.3	3.3	3.8	4.0
2. Labor input	1.6	1.0	1.1	1.1	1.1
3. Labor productivity	1.5	1.5	2.3	2.8	3.0
4. Capital deepening	.8	.5	1.1	1.6	1.8
5. Labor quality	.3	.4	.3	.3	.3
6. Multifactor productivity	.4	.6	.9	.9	.9
7. Technical factors	.0	–.1	–.1	–.1	–.1

Note: Detail may not sum to total because of rounding.







* Eight-quarter percent change less same measure eight quarters previous.

Chart 15

Influence of Alternative Productivity Assumptions on the Outlook

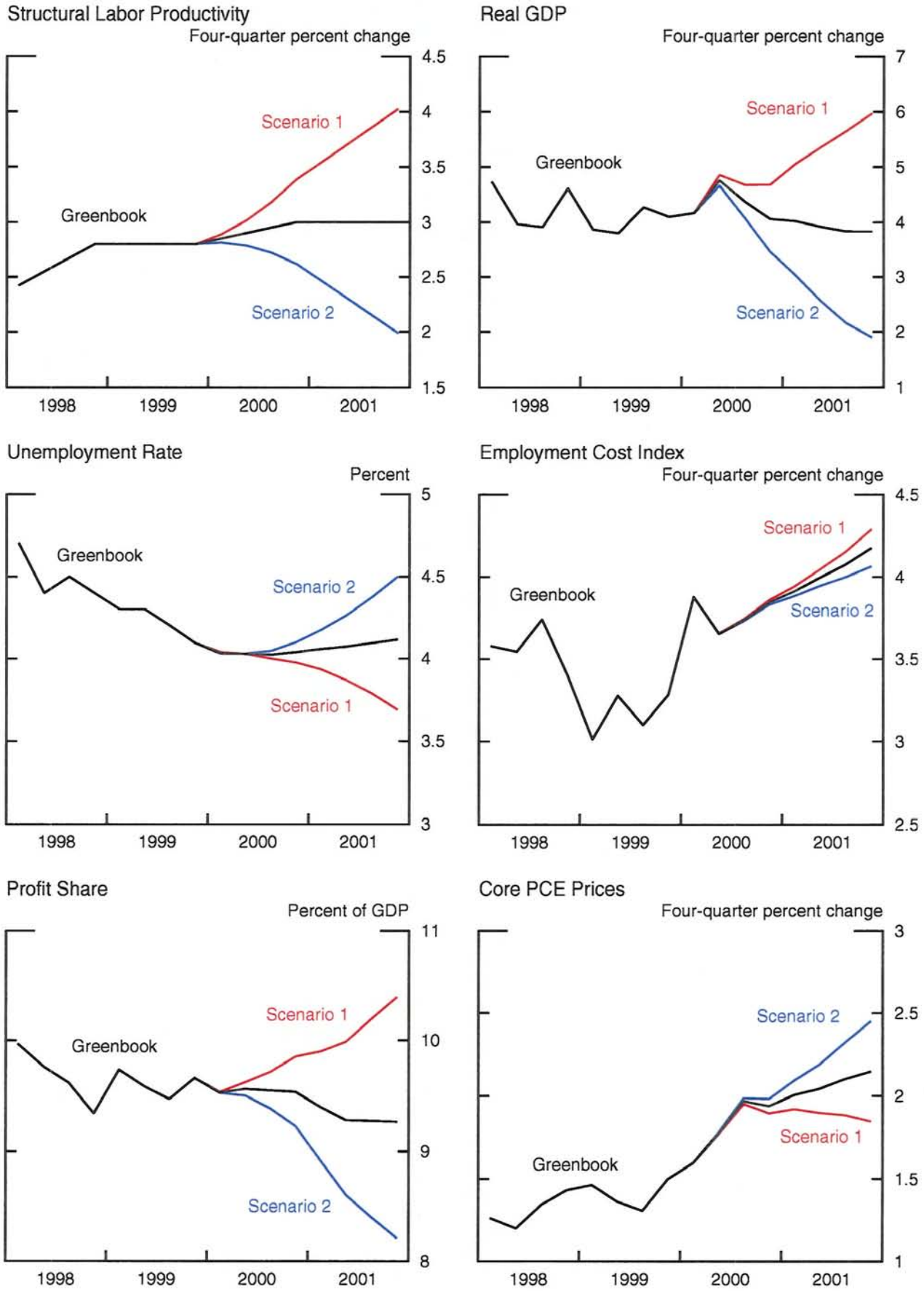


Chart 16

ECONOMIC PROJECTIONS FOR 2000

	FOMC		
	Range	Central Tendency	Staff
	----------Percentage change, Q4 to Q4----------		
Nominal GDP	5 to 6	5¼ to 5½	6.0
July 1999 H-H	(4 to 5¼)		
Real GDP	3¼ to 4	3½ to 3¾	4.1
July 1999 H-H	(2 to 3½)		
PCE Prices	1½ to 2½	1¾ to 2	2.0
	----------Average level, Q4, percent----------		
Unemployment rate	4 to 4¼	4 to 4¼	4.0
July 1999 H-H	(4 to 4-½)		

Central tendencies calculated by dropping high and low three from ranges.

APPENDIX 3

Charts used by Mr. Whitesell.

STRICTLY CONFIDENTIAL (FR) CLASS II - FOMC

Material for

Staff Presentation on Money and Debt Ranges

February 1-2, 2000

Table 1

Growth of Money and Debt
(percent)

	Memo: 1999 Ranges	1999 (Actual)	2000 (Projected)
M2	1 to 5	6.2	4¾
M3	2 to 6	7.6	6¼
Debt	3 to 7	6.6	5¼
Memo: Nominal GDP		5.9	6

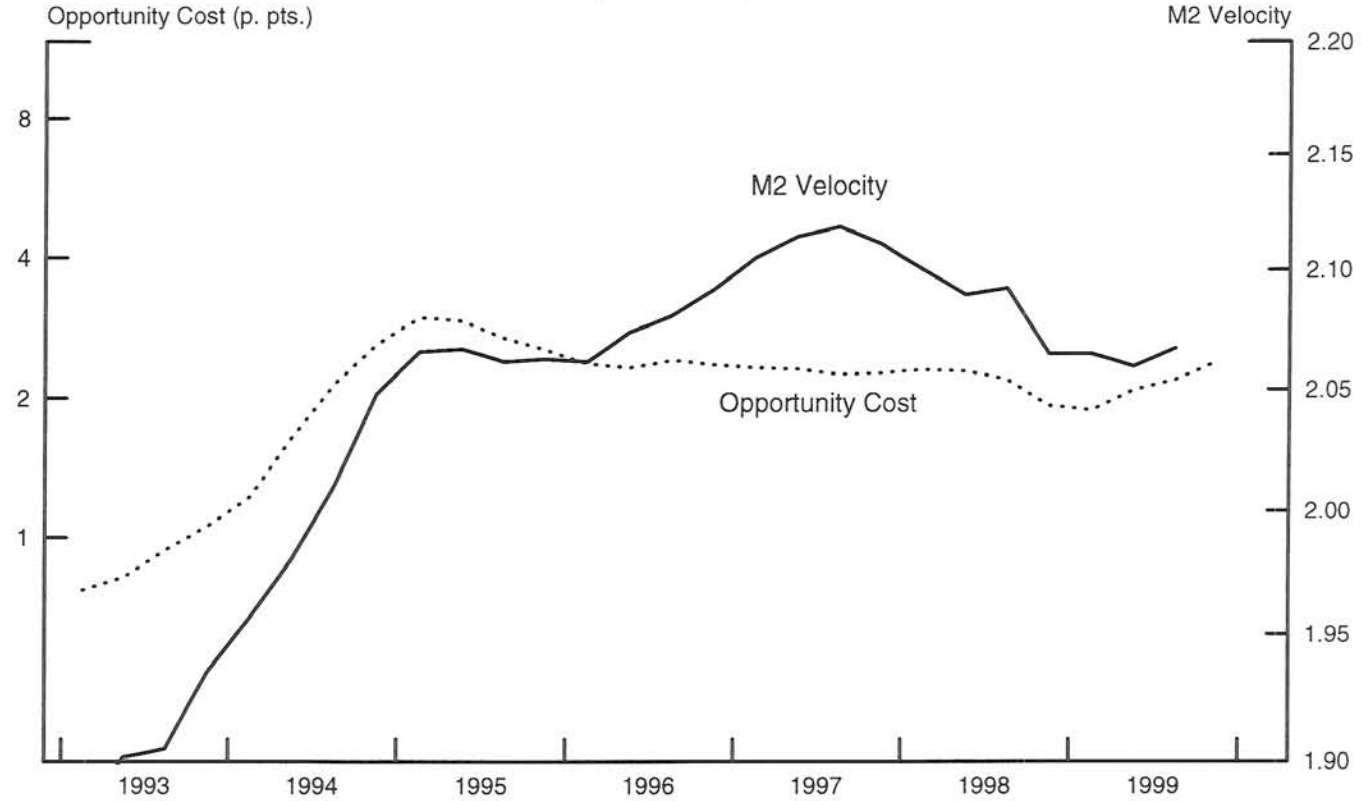
Table 2

Alternative Ranges for Money and Debt in 2000
(percent)

	Alt. 1 Provisional	Alt. 2
M2	1 to 5	2 to 6
M3	2 to 6	3 to 7
Debt	3 to 7	3 to 7

Chart 1: M2 Velocity and Opportunity Cost

(ratio scales)



Note: The scales are set to match the estimation results shown below. Opportunity cost is a two-quarter moving average of the three-month Treasury bill rate less a weighted average of the interest rates on M2 components.

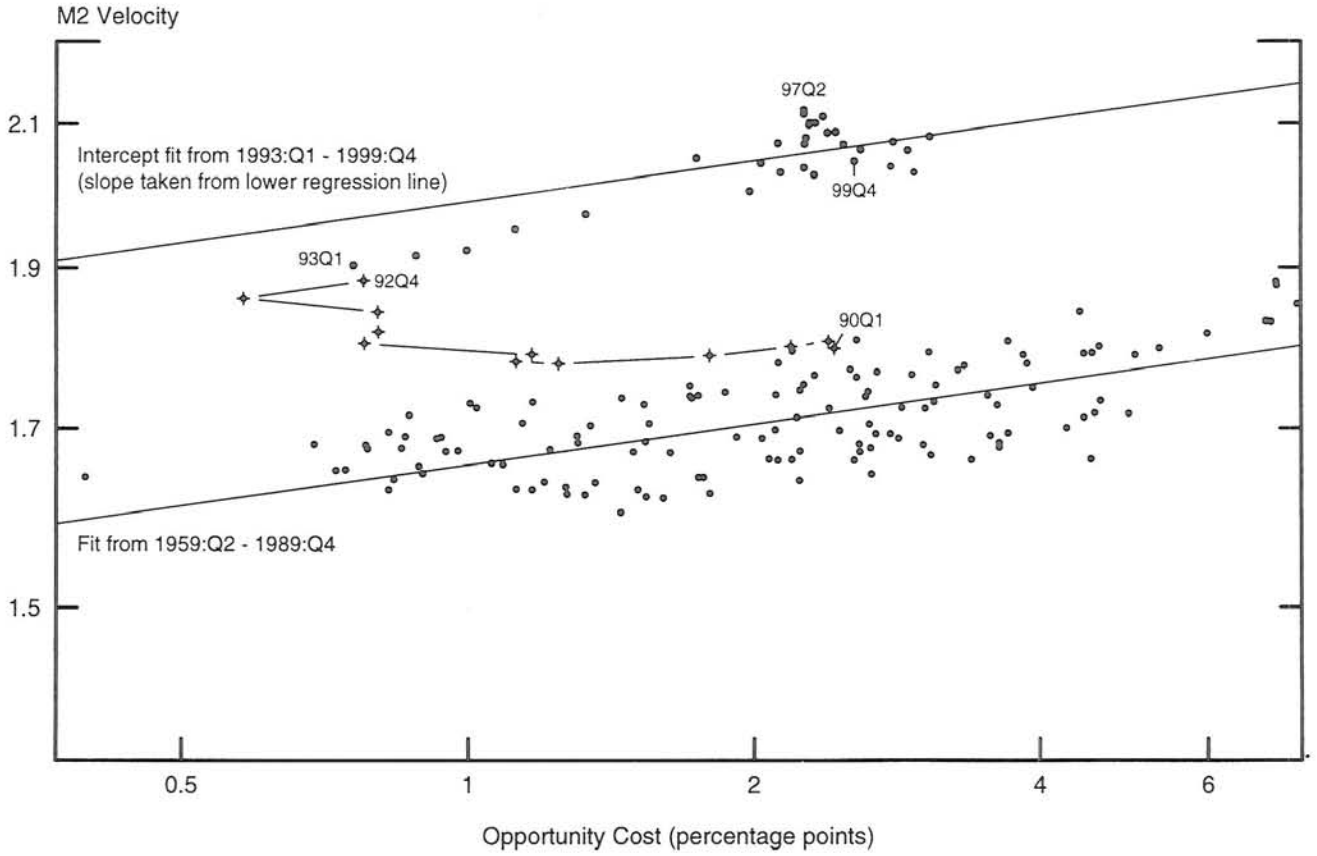
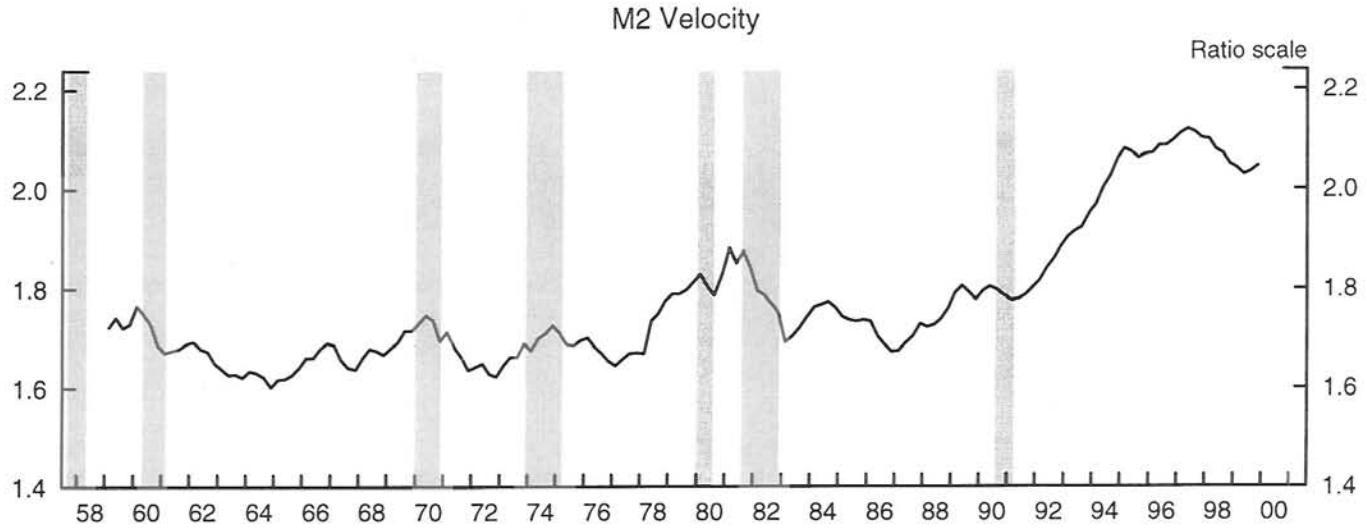
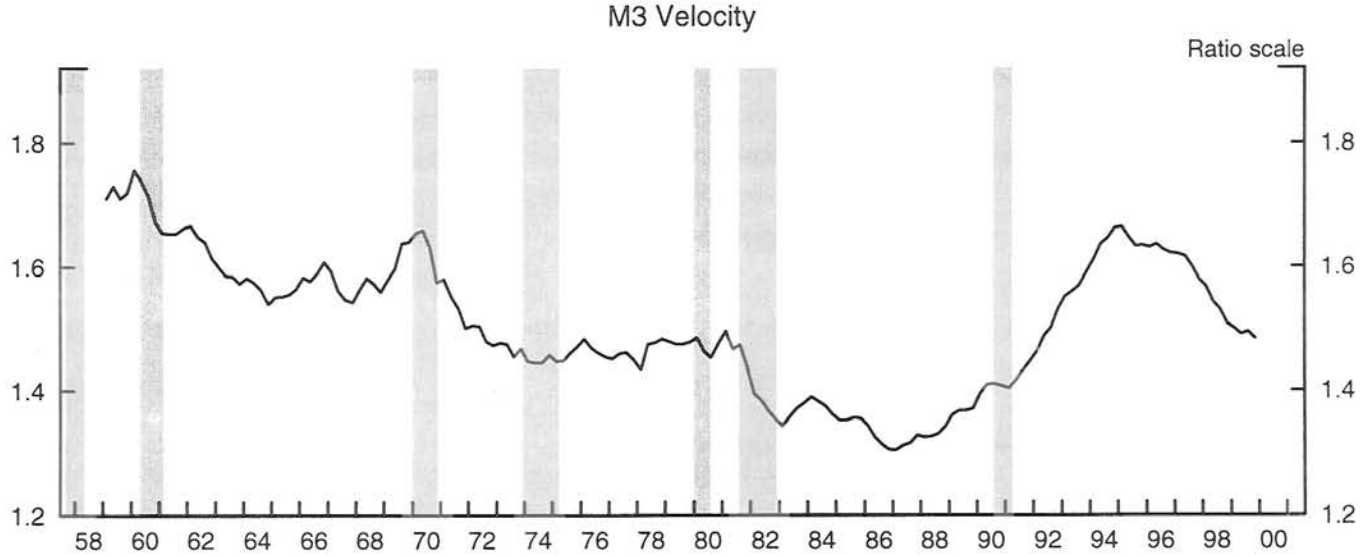
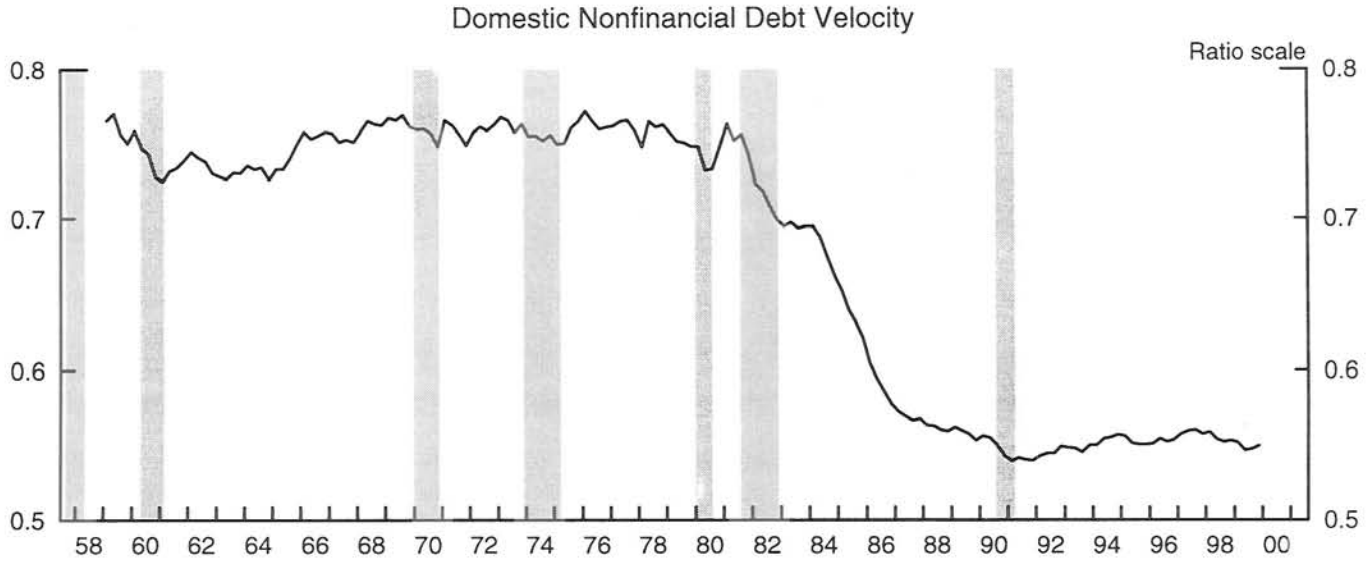


Chart 2







Note: Recession shading.