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CLASS III - FOMC

December 13, 1996

SUPPLEMENT
CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the
Federal Open Market Committee

By the Staff
Board of Governors
of the Federal Reserve System

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SUPPLEMENTAL NOTES

THE DOMESTIC NONFINANCIAL ECONOMY

Consumer Sentiment

According to the preliminary report, the Michigan SRC index of consumer sentiment held at an extremely favorable level in early December. The sub-index of current conditions remained in a very positive range, and the sub-index of expected conditions was about unchanged at its highest value since the current expansion began.

Among questions not included in the overall index, the index of the expected change in unemployment over the coming year rose somewhat, although its level is still well below the average for the first half of 1996. Both the car and home buying conditions indexes remain in generally favorable ranges, although a few more households reported that now is a bad time to buy because prices and interest rates are high.

The mean and median values of expected inflation over the coming year held steady at 4 percent and 3 percent, respectively. The mean value of expected inflation over the next five to ten years moved up 0.1 percentage point to 3.8 percent; the median value was unchanged at 3 percent.

Business Inventories

Retail inventories rose at an annual rate of \$24.7 billion (book value) in October; excluding auto dealers, the retail inventory accumulation in October was \$16.2 billion, about the same as the rate of increase during the third quarter. With a 0.3 percent rise in retail sales, the inventory-sales ratio for the retail trade sector was unchanged at 1.52 months in October. After moving up at midyear to the middle of its range in recent years, the ratio for non-auto retail trade has been little changed.

Inventories expanded at most types of retail establishments in October; lumber and building supply stores were the only category where inventories edged down in that month. For the broad range of stores in general merchandise, apparel, and furniture and appliance (GAF) stores, the buildup in inventories picked up significantly in October after little net change during the preceding two months. Although the inventory-sales ratio for GAF stores edged up in October, after trending up since May, the October level of this ratio was still near the low end of the most recent three-year

range. For most types of retail stores, inventory-sales ratios in October were well below their recent highs observed last autumn.

For all manufacturing and trade excluding motor vehicles, inventory accumulation picked up in October to an annual rate of \$43.1 billion--almost twice the rate of increase during the third quarter. The more rapid accumulation in October was mainly the result of buildups in wholesale inventories, especially inventories of farm products, following sizable drawdowns in the third quarter. With shipments and sales rising 0.3 percent, the inventory-sales ratio for all manufacturing and trade excluding motor vehicles was unchanged at 1.36 months in October, the lowest point in recent years.

December 13, 1996

UNIVERSITY OF MICHIGAN SURVEY RESEARCH CENTER: SURVEY OF CONSUMER ATTITUDES
(Not seasonally adjusted)

	1996 Apr	1996 May	1996 Jun	1996 Jul	1996 Aug	1996 Sep	1996 Oct	1996 Nov	1996 Dec (p)
Indexes of consumer sentiment (Feb. 1966=100)									
Composite of current and expected conditions	92.7	89.4	92.4	94.7	95.3	94.7	96.5	99.2	98.9
Current conditions	107.8	105.1	105.4	107.5	107.8	102.0	106.6	107.5	107.1
Expected conditions	83.0	79.2	84.0	86.5	87.3	90.1	89.9	93.9	93.7

Personal financial situation									
Now compared with 12 months ago*	118	114	118	115	119	109	115	121	116
Expected in 12 months*	127	122	128	129	129	130	127	133	134
Expected business conditions									
Next 12 months*	118	110	117	122	120	127	131	137	132
Next 5 years*	88	86	93	97	102	105	103	108	111
Appraisal of buying conditions									
Cars	125	127	137	138	139	134	132	135	134
Large household appliances*	162	159	155	164	161	155	161	158	161
Houses	157	159	153	161	158	149	159	157	154
Willingness to use credit	45	37	54	38	45	40	37	43	46
Willingness to use savings	64	64	66	67	60	62	62	70	69
Expected unemployment change - next 12 months	124	121	123	115	114	112	114	110	114
Expected inflation - next 12 months									
Mean	4.5	4.9	4.2	4.3	4.1	4.3	4.2	4.0	4.0
Median	3.0	3.0	2.9	2.9	3.0	3.2	3.0	3.0	3.0
Expected inflation - next 5 to 10 years									
Mean	4.1	4.8	4.0	4.2	4.6	4.1	4.2	3.7	3.8
Median	3.0	3.2	3.1	3.1	3.2	3.2	3.0	3.0	3.0

* -- Indicates the question is one of the five equally-weighted components of the index of sentiment.

(p) -- Preliminary

(f) -- Final

Note: Figures on financial, business, and buying conditions are the percent reporting 'good times' (or 'better') minus the percent reporting 'bad times' (or 'worse'), plus 100. Expected change in unemployment is the fraction expecting unemployment to rise minus the fraction expecting unemployment to fall.

CHANGES IN MANUFACTURING AND TRADE INVENTORIES
(Billions of dollars at annual rates;
based on seasonally adjusted data)

	1996			1996		
	Q1	Q2	Q3	Aug.	Sept.	Oct.
<u>Book value basis</u>						
Total	16.7	13.2	36.4	36.4	11.9	59.1
Excluding wholesale and retail motor vehicles	25.0	6.0	22.0	18.5	8.5	43.1
Manufacturing	12.3	-6.2	11.3	14.9	12.2	14.5
Excluding aircraft	6.3	-10.7	8.6	12.5	7.1	11.7
Wholesale	7.3	11.3	-9.2	-3.3	-22.4	19.8
Excluding motor vehicles	7.3	7.6	-6.1	-.9	-13.4	12.5
Retail	-2.9	8.2	34.3	24.8	22.1	24.7
Auto dealers	-8.4	3.5	17.5	20.3	12.4	8.6
Excluding auto dealers	5.5	4.6	16.8	4.5	9.7	16.2
<u>Chained (1992) dollars basis</u>						
Total	-5.4	7.9	29.3	13.1	14.5	n.a.
Excluding motor vehicles	17.5	1.9	23.5	14.4	10.7	n.a.
Manufacturing	12.0	-3.9	12.5	7.9	14.0	n.a.
Wholesale	3.8	6.5	-8.5	3.2	-27.9	n.a.
Excluding motor vehicles	4.0	3.3	-4.4	4.5	-15.5	n.a.
Retail	-21.7	5.2	25.5	2.0	28.7	n.a.
Auto dealers	-23.6	2.0	10.8	.2	16.9	n.a.
Excluding auto dealers	3.0	3.2	14.6	1.9	11.5	n.a.

INVENTORIES RELATIVE TO SALES
(Months' supply; based on seasonally adjusted data)

	1996			1996		
	Q1	Q2	Q3	Aug.	Sept.	Oct.
<u>Book value basis</u>						
Total	1.43	1.40	1.40	1.40	1.39	1.40
Excluding wholesale and retail motor vehicles	1.40	1.37	1.36	1.37	1.36	1.36
Manufacturing	1.45	1.40	1.39	1.39	1.39	1.39
Excluding aircraft	1.34	1.29	1.28	1.28	1.27	1.27
Wholesale	1.32	1.31	1.28	1.29	1.28	1.28
Excluding motor vehicles	1.30	1.28	1.25	1.26	1.25	1.25
Retail	1.49	1.49	1.52	1.52	1.52	1.52
Auto dealers	1.66	1.70	1.78	1.76	1.76	1.77
Excluding auto dealers	1.44	1.42	1.44	1.44	1.44	1.44
<u>Chained (1992) dollars basis</u>						
Total	1.38	1.36	1.35	1.35	1.35	n.a.
Excluding motor vehicles	1.36	1.33	1.32	1.33	1.32	n.a.
Manufacturing	1.39	1.35	1.35	1.35	1.34	n.a.
Wholesale	1.35	1.34	1.31	1.33	1.30	n.a.
Excluding motor vehicles	1.33	1.31	1.28	1.29	1.28	n.a.
Retail	1.37	1.37	1.40	1.39	1.39	n.a.
Auto dealers	1.54	1.57	1.62	1.56	1.57	n.a.
Excluding auto dealers	1.34	1.33	1.35	1.34	1.35	n.a.

Note. Ratio of end-of-period inventories to average monthly sales for the period.

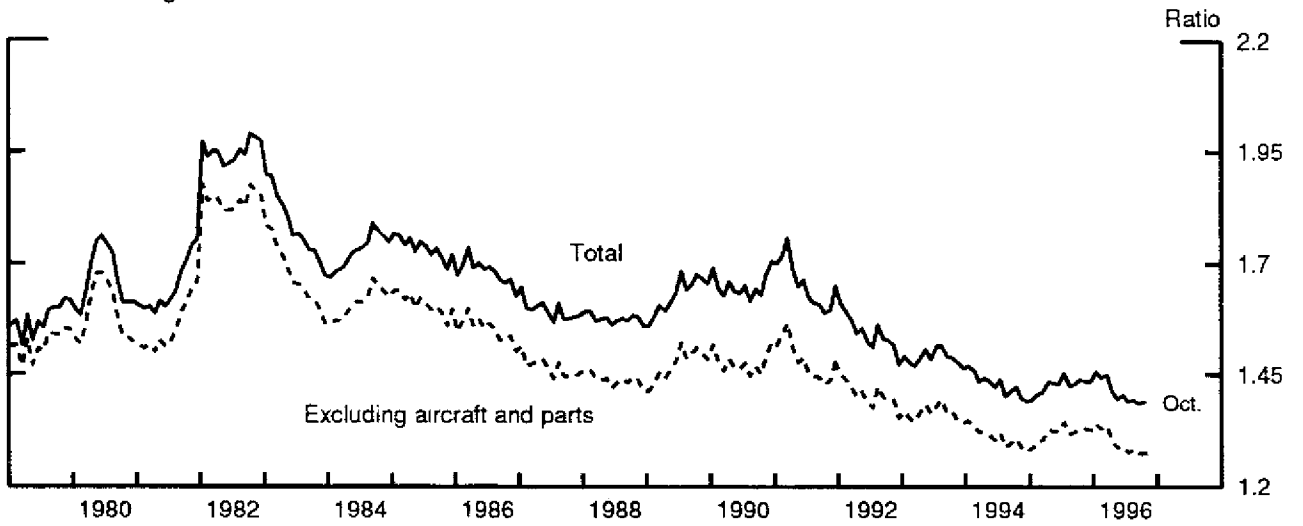
SELECTED INVENTORY-SALES RATIOS
(Months' supply, based on Census book-value data, seasonally adjusted)

	Cyclical reference points		Range over preceding 12 months		October 1996
	1990-91 High	1994-95 Low	High	Low	
Manufacturing and trade	1.58	1.40	1.45	1.39	1.40
Less wholesale and retail motor vehicles	1.55	1.37	1.41	1.36	1.36
Manufacturing	1.75	1.39	1.46	1.39	1.39
Primary metals	2.08	1.45	1.62	1.55	1.59
Nonelectrical machinery	2.48	1.88	1.94	1.80	1.83
Electrical machinery	2.08	1.52	1.60	1.51	1.50
Transportation equipment	2.94	1.59	1.87	1.65	1.74
Motor vehicles	.97	.53	.67	.55	.58
Aircraft	5.85	4.42	5.95	4.89	5.44
Nondefense capital goods	3.09	2.33	2.58	2.39	2.45
Textile	1.71	1.44	1.66	1.49	1.57
Petroleum	.94	.88	.89	.79	.75
Home goods & apparel	1.96	1.70	1.89	1.70	1.72
Merchant wholesalers	1.36	1.28	1.34	1.28	1.28
Less motor vehicles	1.31	1.26	1.31	1.25	1.25
Durable goods	1.83	1.54	1.64	1.58	1.59
Nondurable goods	.96	.98	1.03	.95	.96
Retail trade	1.61	1.46	1.56	1.48	1.52
Less automotive dealers	1.48	1.42	1.47	1.41	1.44
Automotive dealers	2.21	1.60	1.82	1.64	1.77
General merchandise	2.43	2.21	2.33	2.20	2.26
Apparel	2.56	2.47	2.65	2.35	2.42
G.A.F.	2.44	2.24	2.36	2.23	2.27

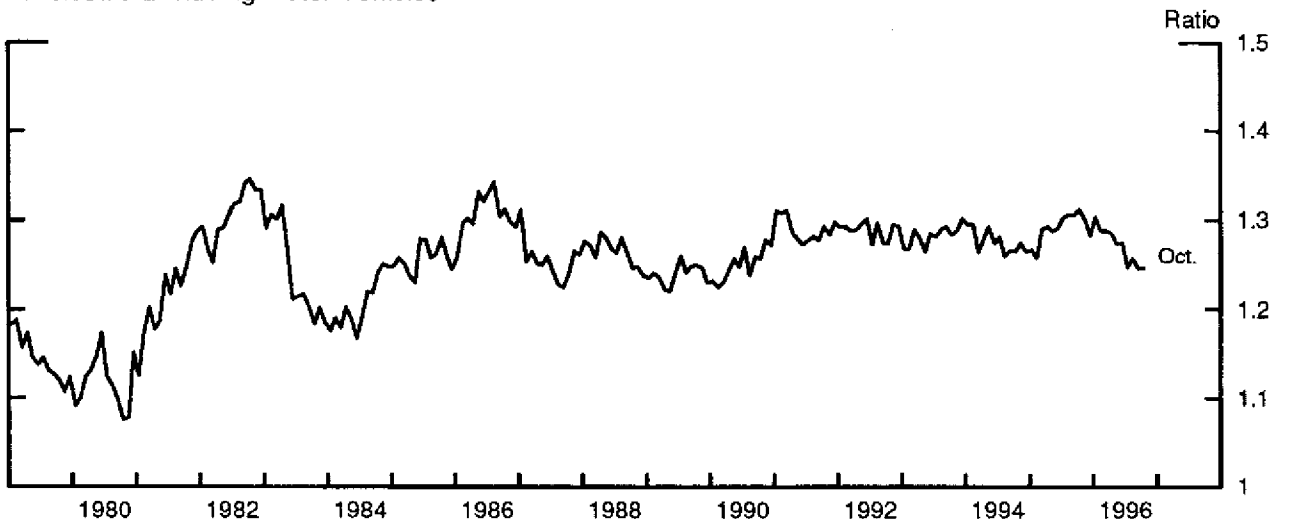
Inventory-Sales Ratios, by Major Sector

(Book value)

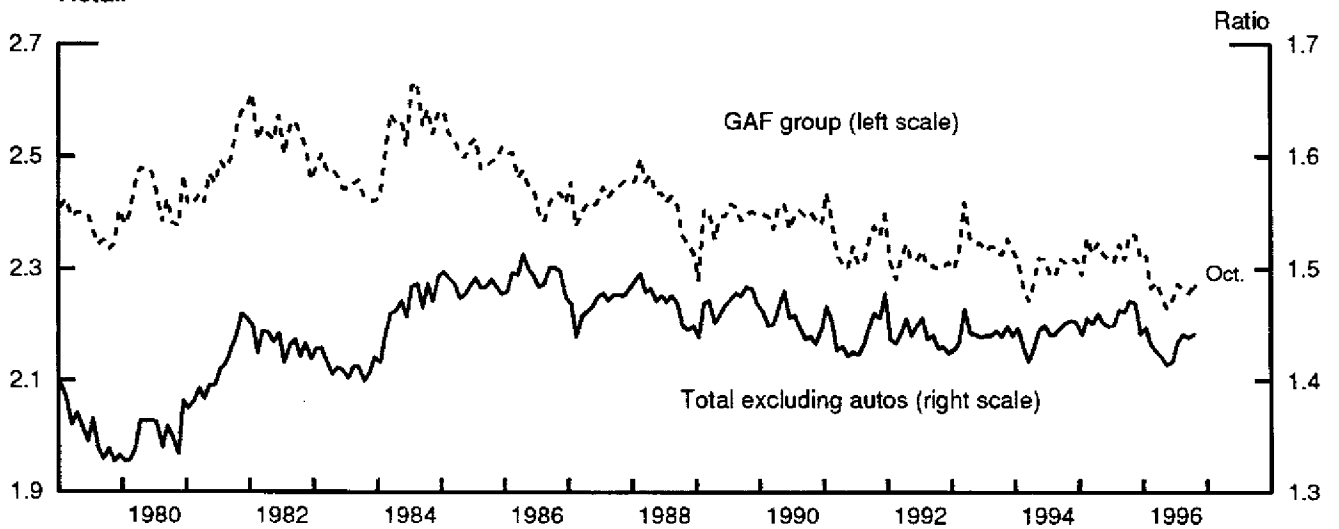
Manufacturing



Wholesale Excluding Motor Vehicles



Retail



CONTRIBUTIONS TO GROWTH IN REAL GROSS DOMESTIC PRODUCT AND RELATED ITEMS

December 13, 1996

Item	1996 Q4	1997 Q1	1997 Q2	1997 Q3	1997 Q4	1998 Q1	1998 Q2	1998 Q3	1998 Q4	96Q4/ 95Q4	97Q4/ 96Q4	98Q4/ 97Q4
Real GDP	2.3	2.1	2.3	2.3	2.2	2.1	1.9	1.9	1.9	2.8	2.3	1.9
Gross dom. purchases	1.9	2.7	2.7	3.1	2.6	2.3	2.2	2.5	2.0	3.5	2.8	2.2
Final sales	2.7	1.9	2.5	2.3	2.3	2.0	1.9	1.9	2.0	2.6	2.2	1.9
Priv. dom. final purchases	2.2	2.7	2.7	2.8	2.4	2.3	2.2	2.3	2.2	2.9	2.6	2.2
Personal cons. expenditures	2.2	2.3	2.0	2.1	1.7	1.6	1.5	1.4	1.4	1.8	2.0	1.5
Durables	0.6	0.6	0.4	0.5	0.3	0.3	0.3	0.2	0.2	0.5	0.4	0.2
Nondurables	0.2	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.5	0.4
Services	1.3	1.2	1.1	1.0	0.9	0.9	0.8	0.8	0.8	0.9	1.1	0.8
Business fixed investment	0.6	0.5	0.7	0.5	0.6	0.6	0.6	0.7	0.7	1.0	0.6	0.7
Producers' dur. equip.	0.4	0.5	0.7	0.5	0.6	0.6	0.6	0.7	0.7	0.9	0.6	0.7
Nonres. structures	0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-0.0	0.0
Residential structures	-0.4	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-0.0	0.0
Net exports	0.4	-0.6	-0.4	-0.8	-0.3	-0.2	-0.3	-0.6	-0.1	-0.7	-0.5	-0.3
Exports	1.2	0.8	0.9	0.3	1.2	0.6	1.1	0.3	1.2	0.5	0.8	0.8
Imports	-0.8	-1.3	-1.3	-1.0	-1.5	-0.8	-1.4	-0.9	-1.4	-1.2	-1.3	-1.1
Government cons. & invest.	0.1	-0.2	0.2	0.3	0.2	-0.1	-0.0	0.2	-0.1	0.4	0.1	0.0
Federal	-0.3	-0.5	-0.1	-0.0	-0.1	-0.3	-0.3	-0.1	-0.4	0.1	-0.2	-0.3
Defense	-0.2	-0.5	-0.0	0.0	0.1	-0.3	-0.3	-0.0	-0.2	0.0	-0.1	-0.2
Nondefense	-0.1	-0.0	-0.0	-0.0	-0.2	-0.1	-0.0	-0.0	-0.2	0.1	-0.1	-0.1
State and local	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Change in bus. inventories	-0.4	0.2	-0.2	0.1	-0.0	0.1	0.0	-0.0	-0.1	0.2	0.0	0.0
Nonfarm	-0.5	0.1	-0.2	0.1	-0.1	0.1	0.0	-0.0	-0.1	0.1	-0.0	-0.0
Farm	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0
GDP residual	-0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.1	-0.0	0.0	0.1	0.0

Components may not sum to total due to rounding.

CONTRIBUTIONS TO GROWTH IN REAL GROSS DOMESTIC PRODUCT AND RELATED ITEMS

December 13, 1996

Item	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4	1997 Q1	1997 Q2	1997 Q3	1997 Q4	95Q4/ 94Q4	96Q4/ 95Q4	97Q4/ 96Q4
Real GDP	0.3	2.0	4.7	2.3	2.3	2.1	2.3	2.3	2.2	1.3	2.8	2.3
Gross dom. purchases	-0.7	3.1	5.3	3.7	1.9	2.7	2.7	3.1	2.6	1.0	3.5	2.8
Final sales	1.4	3.0	4.1	0.5	2.7	1.9	2.5	2.3	2.3	1.9	2.6	2.2
Priv. dom. final purchases	1.2	3.9	3.4	2.0	2.2	2.7	2.7	2.8	2.4	1.8	2.9	2.6
Personal cons. expenditures	0.7	2.4	2.3	0.4	2.2	2.3	2.0	2.1	1.7	1.3	1.8	2.0
Durables	-0.1	0.7	0.9	-0.2	0.6	0.6	0.4	0.5	0.3	0.1	0.5	0.4
Nondurables	-0.1	0.7	0.3	0.1	0.2	0.6	0.6	0.5	0.5	0.2	0.3	0.5
Services	0.8	0.9	1.1	0.5	1.3	1.2	1.1	1.0	0.9	0.9	0.9	1.1
Business fixed investment	0.2	1.1	0.4	1.7	0.6	0.5	0.7	0.5	0.6	0.7	1.0	0.6
Producers' dur. equip.	0.2	0.9	0.5	1.6	0.4	0.5	0.7	0.5	0.6	0.5	0.9	0.6
Nonres. structures	0.0	0.2	-0.1	0.2	0.2	-0.1	0.0	0.0	0.0	0.1	0.1	-0.0
Residential structures	0.2	0.3	0.6	-0.2	-0.4	-0.1	-0.1	0.0	0.0	-0.1	0.1	-0.0
Net exports	0.9	-1.1	-0.6	-1.4	0.4	-0.6	-0.4	-0.8	-0.3	0.3	-0.7	-0.5
Exports	1.1	0.2	0.6	-0.2	1.2	0.8	0.9	0.3	1.2	0.8	0.5	0.8
Imports	-0.2	-1.3	-1.2	-1.3	-0.8	-1.3	-1.3	-1.0	-1.5	-0.5	-1.2	-1.3
Government cons. & invest.	-0.8	0.3	1.4	-0.0	0.1	-0.2	0.2	0.3	0.2	-0.3	0.4	0.1
Federal	-0.9	0.4	0.6	-0.2	-0.3	-0.5	-0.1	-0.0	-0.1	-0.5	0.1	-0.2
Defense	-0.6	0.2	0.4	-0.2	-0.2	-0.5	-0.0	0.0	0.1	-0.3	0.0	-0.1
Nondefense	-0.3	0.2	0.2	0.0	-0.1	-0.0	-0.0	-0.0	-0.2	-0.2	0.1	-0.1
State and local	0.2	-0.1	0.8	0.2	0.4	0.3	0.3	0.3	0.3	0.2	0.3	0.3
Change in bus. inventories	-1.0	-1.0	0.5	1.7	-0.4	0.2	-0.2	0.1	-0.0	-0.6	0.2	0.0
Nonfarm	-1.2	-0.9	0.5	1.4	-0.5	0.1	-0.2	0.1	-0.1	-0.5	0.1	-0.0
Farm	0.1	-0.1	0.1	0.3	0.1	0.1	0.0	0.0	0.1	-0.1	0.1	0.0
GDP residual	-0.0	0.0	-0.0	0.1	-0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.1

Components may not sum to total due to rounding.

Item	Fiscal year ⁵				1996				1997				1998			
	1995 ^a	1996 ^a	1997	1998	Q1 ^a	Q2 ^a	Q3 ^b	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
UNIFIED BUDGET																
Not seasonally adjusted																
Receipts ¹	1355	1453	1525	1575	322	446	362	353	333	459	379	364	345	474	392	384
Outlays ¹	1519	1560	1637	1692	393	392	395	412	413	405	407	424	420	426	423	435
Surplus/deficit ¹	-164	-107	-112	-117	-72	54	-33	-59	-80	54	-28	-60	-75	48	-31	-51
On-budget	-226	-174	-181	-190	-84	14	-36	-67	-93	13	-34	-69	-88	4	-37	-63
Off-budget	62	67	68	73	12	39	2	8	13	41	6	9	13	44	7	12
Surplus excluding deposit insurance ²	-182	-116	-120	-119	-75	52	-34	-65	-81	53	-29	-60	-75	48	-31	-52
Means of financing																
Borrowing	171	130	126	146	80	-23	39	43	80	-35	37	46	82	-30	47	25
Cash decrease	-2	-6	4	0	-1	-16	-6	13	11	-15	-5	10	10	-15	-5	10
Other ³	-5	-16	-18	-29	-7	-14	0	3	-12	-5	-4	3	-18	-3	-12	16
Cash operating balance, end of period	38	44	40	40	22	38	44	32	20	35	40	30	20	35	40	30
NIPA FEDERAL SECTOR																
Seasonally adjusted, annual rate																
Receipts	1459	1544	1626	1683	1523	1576	1583	1625	1610	1626	1643	1660	1671	1690	1709	1728
Expenditures	1629	1683	1749	1798	1678	1702	1704	1727	1741	1756	1771	1783	1792	1802	1814	1828
Consumption expend.	455	458	461	462	454	463	462	461	459	461	463	463	463	461	463	459
Defense	304	303	302	305	299	307	305	303	301	301	303	306	306	303	304	302
Nondefense	151	155	159	158	155	156	157	157	159	159	160	157	157	158	159	156
Other expenditures	1175	1226	1288	1335	1225	1239	1242	1266	1282	1296	1308	1320	1329	1341	1352	1369
Current account surplus	-171	-139	-123	-115	-155	-127	-120	-102	-131	-130	-128	-123	-121	-112	-106	-100
Gross investment	65	63	62	61	65	66	64	63	61	61	62	63	62	61	61	60
Current and capital account surplus	-236	-202	-185	-177	-220	-193	-184	-165	-192	-191	-190	-186	-182	-172	-166	-160
FISCAL INDICATORS ⁴																
High-employment (HEB) surplus/deficit	-263	-236	-242	-245	-246	-233	-230	-217	-247	-250	-254	-253	-250	-241	-236	-230
Change in HEB, percent of potential GDP	0	-.4	.1	0	.1	-.2	0	-.2	.4	0	0	0	0	-.1	-.1	-.1
Fiscal impetus (FI), percent, cal. year	-5.6	-1.7	-3.4	-5.5	1.3	1.8	-.2	-1.5	-1.9	-.2	0	-2.4	-1.9	-1.4	-.4	-.2

1. OMB's July 1996 deficit estimates (assuming the enactment of the President's proposals) are \$126 billion in FY97 and \$94 billion in FY98. CBO's April 1996 baseline deficit estimates are \$171 billion in FY97 and \$194 billion in FY98. Budget receipts, outlays, and surplus/deficit include corresponding Social Security (OASDI) categories. The OASDI surplus is excluded from the on-budget deficit and shown separately as off-budget, as classified under current law. The Postal Service deficit is included in off-budget outlays beginning in FY90.

2. OMB's July 1996 deficit estimates (assuming the enactment of the President's proposals), excluding deposit insurance spending, are \$134 billion in FY97 and \$96 billion in FY98. CBO's April 1996 baseline deficit estimates, excluding deposit insurance, are \$175 billion in FY97 and \$196 billion in FY98.

3. Other means of financing are checks issued less checks paid, accrued items, and changes in other financial assets and liabilities.

4. HEB is the NIPA current and capital account surplus in current dollars, with cyclically sensitive receipts and outlays adjusted to the level of potential output generated by 1.8 percent real growth and an associated unemployment rate of 6 percent. Quarterly figures for change in HEB and FI are not at annual rates. Change in HEB, as a percent of nominal potential GDP, is reversed in sign. FI is the weighted difference of discretionary changes in federal spending and taxes (in chained (1992) dollars), scaled by real federal consumption plus investment. For change in HEB and FI, negative values indicate restraint.

5. Fiscal 1995 data for the unified budget come from OMB, fiscal 1996 and quarterly data come from the Monthly Treasury Statement and may not sum to OMB fiscal year totals.

a--Actual.
b--Preliminary.

THE FINANCIAL ECONOMY

Inflows into Equity Mutual Funds--Update

As noted in Greenbook Part 2 (page III-5), preliminary data indicated that equity mutual funds experienced a small net outflow for the week ending December 4. Such preliminary data exclude reinvested dividends. More complete data for that week suggest that net inflows were slightly positive when reinvested dividends are included. Preliminary information for the week ending December 11 show larger outflows (excluding reinvested dividends).

Selected Financial Market Quotations¹

(Percent except as noted)

Instrument	1996				Change to Dec. 12, from:		
	Feb. low	July high	FOMC,* Nov. 13	Dec. 12	Feb. low	July high	FOMC, Nov. 13
Short-term rates							
Federal funds ²	5.15	5.39	5.30	5.22	0.07	-0.17	-0.08
Treasury bills ³							
3-month	4.76	5.21	5.04	4.84	0.08	-0.37	-0.20
6-month	4.67	5.40	5.08	5.00	0.33	-0.40	-0.08
1-year	4.55	5.64	5.15	5.20	0.65	-0.44	0.05
Commercial paper							
1-month	5.27	5.50	5.37	5.59	0.32	0.09	0.22
3-month	5.12	5.59	5.40	5.44	0.32	-0.15	0.04
Large negotiable CDs ³							
1-month	5.21	5.44	5.28	5.49	0.28	0.05	0.21
3-month	5.12	5.59	5.37	5.42	0.30	-0.17	0.05
6-month	4.99	5.83	5.43	5.48	0.49	-0.35	0.05
Eurodollar deposits ⁴							
1-month	5.13	5.38	5.20	5.44	0.31	0.06	0.24
3-month	5.13	5.56	5.38	5.44	0.31	-0.12	0.06
Bank prime rate	8.25	8.25	8.25	8.25	0.00	0.00	0.00
Intermediate- and Long-term Rates							
U.S. Treasury (constant maturity)							
3-year	4.98	6.62	5.84	5.98	1.00	-0.64	0.14
10-year	5.58	7.06	6.19	6.40	0.82	-0.66	0.21
30-year	6.02	7.19	6.44	6.64	0.62	-0.55	0.20
Municipal revenue (Bond Buyer) ⁵	5.67	6.24	5.92	5.93	0.26	-0.31	0.01
Corporate-A utility, recently offered	7.18	8.23	7.59	7.70	0.52	-0.53	0.11
High-yield corporate ⁶	9.57	10.36	9.78	9.74	0.17	-0.62	-0.04
Home mortgages ⁷							
FHLMC 30-yr fixed rate	6.94	8.42	7.67	7.57	0.63	-0.85	-0.10
FHLMC 1-yr adjustable rate	5.19	6.01	5.56	5.52	0.33	-0.49	-0.04

Stock exchange index	Record high		1996			Percentage change to Dec. 12, from:		
	Level	Date	July low	FOMC,* Nov. 13	Dec. 12	Record high	July low	FOMC, Nov. 13
Dow-Jones Industrial	6547.79	11/25/96	5346.55	6266.04	6303.71	-3.73	17.90	0.60
NYSE Composite	398.86	11/25/96	336.07	386.18	384.29	-3.65	14.35	-0.49
S&P 500 Composite	757.03	11/25/96	626.65	729.56	729.33	-3.66	16.39	-0.03
NASDAQ (OTC)	1316.27	12/9/96	1042.37	1256.53	1298.33	-1.36	24.56	3.33
Wilshire	7295.57	12/2/96	6099.34	7067.63	7091.58	-2.80	16.27	0.34

1. One-day quotes except as noted.

2. Average for two-week reserve maintenance period closest to date shown. Last observation is the average to date for maintenance period ending December 18, 1996.

3. Secondary market.

4. Bid rates for Eurodollar deposits at 11 a.m. London time.

5. Most recent observation based on one-day Thursday quote and futures market index changes.

6. Merrill Lynch Master II high-yield bond index composite.

7. Quotes for week ending Friday previous to date shown, except most recent are figures for week ending December 13.

* Figures cited are as of the close on November 12.