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CLASS III - FOMC

May 14, 1999

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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THE DOMESTIC NONFINANCIAL ECONOMY

Consumer Prices

The consumer price index jumped 0.7 percent in April, boosted in part by a very sharp rise in energy prices; the CPI now stands 2.3 percent above the level of year ago. Consumer food prices edged up last month, but consumer prices excluding food and energy increased 0.4 percent. The twelve-month change in the core CPI was 2.2 percent in April, up 0.3 percentage point from the year-earlier pace (taking into account methodological changes). Higher tobacco prices accounted for the acceleration, and (on a methodologically consistent basis) core CPI prices excluding tobacco were unchanged over the past twelve months.

Consumer energy prices surged 6.1 percent last month, the largest monthly increase on record, and are now 3 percent above their year-earlier level. The price of motor fuel jumped a record 15 percent in April, and heating oil prices also surged; these increases reflect the sizable rise in crude oil prices so far this year as well as disruptions to refinery operations in California. For early May, survey results suggest that retail prices of gasoline have leveled off.

The CPI for food edged up 0.1 percent in April, after declining slightly in March. The volatile index for fruits and vegetables increased 1.4 percent in April, and the index for meats, poultry, fish, and eggs turned up last month. Other food prices fell slightly on balance, led by declines in the indexes for dairy products and butter. Over the past twelve months, the overall index for food has risen 2.3 percent.

The index for commodities other than food and energy moved up 0.6 percent in April, nearly reversing the declines of the previous two months. Tobacco prices rose 3.6 percent last month, following a decline of the same magnitude in March; these monthly movements reflect the removal in April of discounts on name-brand cigarettes that were in effect for the month of March. The April index for tobacco stands 33 percent above its level of a year ago. Among other goods, apparel prices rose 1.5 percent in April, the first increase since August 1998, but remain slightly below their year-earlier level. New and used motor vehicle prices also turned up last month.

The CPI for non-energy services rose 0.4 percent last month. Both owners' equivalent rent and residential rent increased 0.3 percent in April, while the index for lodging away from

home jumped 1.9 percent, following a similar rise in March. Elsewhere, air fares rose 2 percent further and are up 11.3 percent (not at an annual rate) over the first four months of this year.

Last month's 0.4 percent increase in the core CPI followed increases of only 0.1 percent in each of the first three months of the year. We believe that those first-quarter readings were held down slightly by seasonal adjustment difficulties associated with the introduction of the geometric-mean CPIs in January.¹ Although the higher April figure appears to reflect a partial reversal of this seasonal adjustment distortion, this effect likely accounted for only a small part of the April increase.²

Industrial Production

Industrial activity picked up in recent months, after a period of slack. IP rose a robust 0.6 percent in April, and the increase in March was revised up to 0.5 percent. Manufacturing production rose 0.6 percent in April following upward-revised gains of 0.4 percent in February and March.

Within manufacturing, durable goods production rose rapidly for a second month, and the advances were again widespread. Output of motor vehicles and parts rose 2.3 percent in April; automakers were probably a bit surprised by the very high level of sales last quarter, and production schedules indicate that assemblies are likely to remain high in coming months. In the high-technology area, production gains have accelerated after slowing early this year. In particular, semiconductor production rose rapidly in March and April, above the pace seen in prior months, and communications equipment advanced 2.8 percent in April. The increase in communication equipment indicates that the strength in orders in this category finally appears to be boosting production. The production of nondurable goods remains below its year-ago level, but has picked up over the past several months. Gains in nondurables in April were widespread--

1. The geometric-mean CPIs appear to have a different seasonal pattern than the Laspeyres CPIs that had been in place through last year; nevertheless, in adjusting the new data for seasonal variation, BLS is using seasonal factors calculated on the old, Laspeyres-weighted data.

2. Apparel and lodging away from home, the two series with the greatest differences in seasonal patterns between the geometric-means and Laspeyres CPIs, both jumped notably in April after declining in earlier months.

the exception being petroleum products; refinery disruptions in California depressed gasoline production.

The production of consumer goods increased 0.6 percent in April, primarily reflecting a 2.1 percent jump in the production of durable consumer goods; notable output gains occurred in automotive products, carpeting and furniture and home electronics. Production of business equipment advanced 0.3 percent in April after an upward-revised increase of 0.7 percent in March. Transit equipment fell, reflecting the drop-off in production at Boeing from last fall's peak. Information processing equipment rose substantially further, largely reflecting the advances in computers and communications equipment. Construction supplies have fallen, on net, over the past several months--but remain at a high level.

The increases in production in recent months have lifted the factory operating to 79.8 percent in April. This level of utilization is still about two percentage points below the long-term average. Utilization rates have fallen in most industries over the past twelve months. The exceptions include lumber and lumber products and stone, clay, and glass products, which have probably been held up by strong construction activity, light trucks, where utilization rates have increased as sales and production picked up over the past year, and petroleum products.

Retail Inventories

The book value of retail inventories rose \$70.3 billion at an annual rate in March, driven by a whopping increase in inventories held by auto dealers. Excluding autos, retail stocks accumulated at a \$20.1 billion pace. For the quarter as a whole, non-auto retail inventories rose at a \$19.1 billion annual rate, considerably faster than the \$6.9 billion annual rate posted in the fourth quarter. However, with non-auto retail sales rising 3.2 percent in the first quarter (not at an annual rate), the inventory-sales ratio for this category fell to 1.38 months, the lowest quarterly ratio since 1980.

Nondurable goods inventories increased at a \$14.9 billion pace in March, led by stockbuilding at general merchandisers and "other nondurable goods" establishments--the category that includes eating and drinking places, and drug and proprietary stores. In contrast, apparel outlets liquidated inventories in March, and the inventory-sales ratio at these establishments fell to 2.36 months, the lowest level since the summer of 1997. Durable goods

held by non-auto retailers expanded at a \$5.2 billion annual rate in March, with the accumulation occurring at lumber and building materials and “other durable goods” establishments.

Today’s report supplied the last piece of the inventory data that were not available at the time of BEA’s first-quarter advance GDP release. For the quarter as a whole, manufacturing and trade inventories (excluding motor vehicles) rose at an \$11.8 billion annual rate, up a bit from the \$6.3 billion pace reported in the fourth quarter. Although the retail inventory data released today were stronger than BEA’s assumption, the wholesale inventory data released last week were much weaker than BEA had pencilled in. Thus, the total book-value inventory accumulation in the first quarter was about \$5 billion lower than BEA had assumed when assembling the advance GDP estimate.

Consumer Sentiment

According to the preliminary report, the Michigan SRC index of consumer sentiment rose almost two points in early May. Assessments of current conditions improved this month: Respondents’ views on their current personal finances rose to the highest level in more than a year, and appraisals of buying conditions for large household appliances surged to an historical high. In contrast, respondents had less favorable assessments of future business conditions and of their financial situations over the next year.

Among those series not in the overall index, the index of expected unemployment change moved back up in early May. Nevertheless, households assessments on buying conditions improved considerably this month. Although respondents had less favorable views on current mortgage rates, a greater share felt that now was a good time to buy a house because “times are good” and a house is a “good investment.” Assessments of buying conditions for cars also moved sharply higher.

The mean of expected inflation over the next year, edged down 0.1 percentage point to 2.9 percent in May, but the median was unchanged at 2.7 percent. The mean of expected inflation over the next five to ten years, edged up 0.1 percentage point to 3.1 percent. The median also was unchanged at 2.8 percent.

CPI AND PPI INFLATION RATES
(Percent change)

	From twelve months earlier		1998	1999	1999	
	Apr. 1998	Apr. 1999	Q4	Q1	Mar.	Apr.
			-Annual rate-		-Monthly rate-	
<u>CPI</u>						
All items (100.0) ¹	1.4	2.3	2.0	1.5	.2	.7
Food (15.4)	2.0	2.3	2.9	2.4	-.2	.1
Energy (6.3)	-7.4	3.0	-6.2	-2.0	1.6	6.1
CPI less food and energy (78.3)	2.1	2.2	2.3	1.6	.1	.4
Commodities (24.0)	.2	.8	1.0	.0	-.3	.6
New vehicles (5.0)	-.6	-.7	-.9	-.7	-.2	.1
Used cars and trucks (1.9)	-4.0	.1	5.2	-11.5	-.6	.6
Apparel (4.8)	-.2	-.4	-1.3	-6.8	-.3	1.5
Tobacco (1.2)	8.3	32.8	34.3	81.5	-3.5	3.6
Other Commodities (11.1)	.6	-.6	-.4	-.6	.0	.1
Services (54.3)	3.0	2.8	2.8	2.4	.3	.4
Shelter (29.9)	3.3	3.1	3.8	1.7	.4	.4
Medical care (4.5)	3.1	3.3	2.8	3.7	.2	.3
Other Services (19.9)	2.8	2.2	1.4	3.1	.3	.4
<u>PPI</u>						
Finished goods (100.0) ²	-.9	1.1	1.4	1.7	.2	.5
Finished consumer foods (23.3)	-.4	-.4	1.0	2.3	.4	-.9
Finished energy (11.9)	-8.7	1.5	-6.1	-2.0	1.2	5.1
Finished goods less food and energy (64.8)	.6	1.7	2.9	2.3	.0	.1
Consumer goods (39.6)	1.4	2.7	4.3	4.3	.1	.0
Capital equipment (25.2)	-.6	.0	1.0	-.5	.0	.0
Intermediate materials (100.0) ³	-1.6	-1.4	-3.4	-2.0	.3	.6
Intermediate materials less food and energy (83.2)	-.1	-1.4	-2.9	-1.5	.1	.2
Crude materials (100.0) ⁴	-7.0	-9.9	-5.8	-11.4	1.0	1.3
Crude food materials (42.2)	-9.3	-9.5	1.5	-1.2	-1.3	-2.5
Crude energy (31.9)	-4.8	-8.5	-1.8	-27.5	6.1	8.5
Crude materials less food and energy (25.9)	-5.6	-12.7	-24.0	-5.3	-.8	-1.1

1. Relative importance weight for CPI, December 1998.

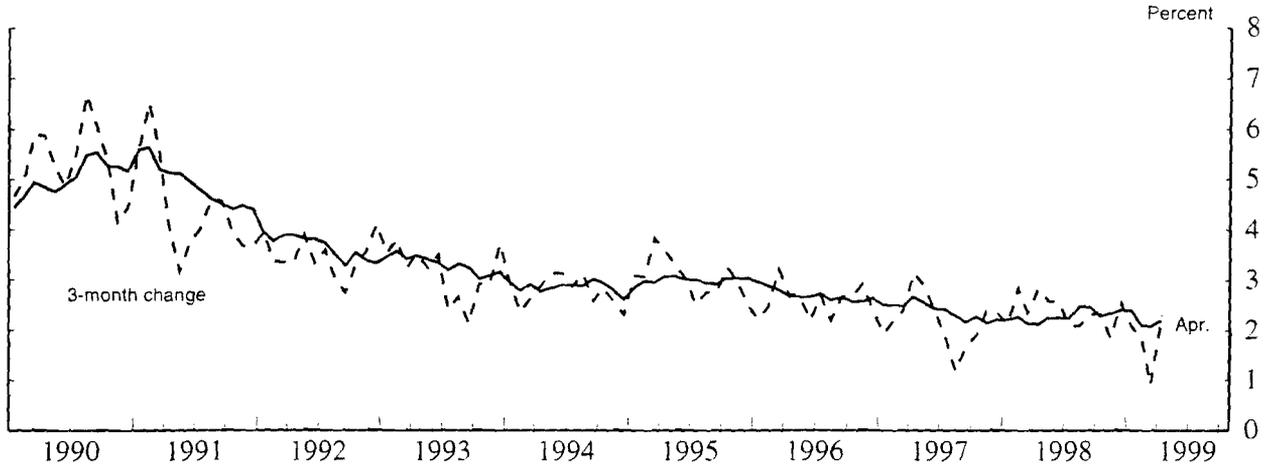
2. Relative importance weight for PPI, December 1998.

3. Relative importance weight for intermediate materials, December 1998.

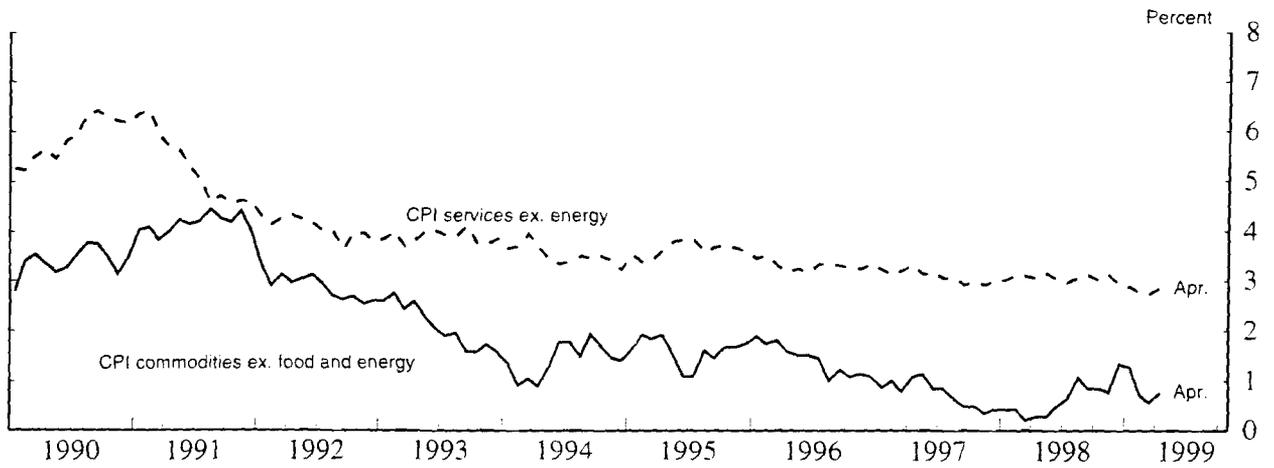
4. Relative importance weight for crude materials, December 1998.

Measures of Core Consumer Price Inflation (Twelve-month change except as noted)

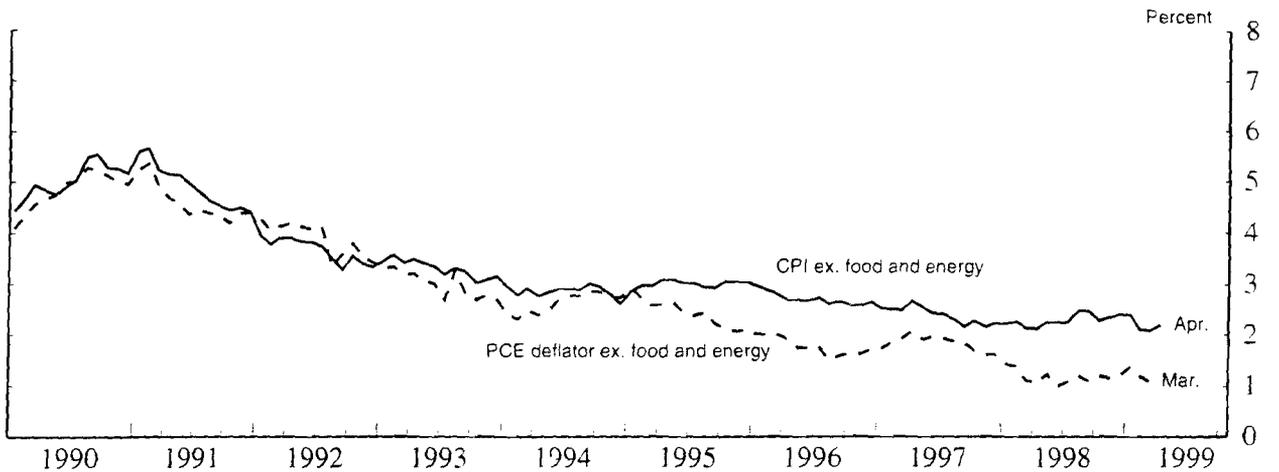
CPI Excluding Food and Energy



CPI Services and Commodities



CPI and PCE



BROAD MEASURES OF INFLATION
(Four-quarter percent change)

	1996 Q1	1997 Q1	1998 Q1	1999 Q1
<u>Product prices</u>				
GDP chain price index	2.0	1.9	1.2	1.0
Nonfarm business chain-type price index ¹	1.3	1.9	1.1	0.4
<u>Expenditure prices</u>				
Gross domestic purchases chain-type price index	2.0	1.8	0.7	0.7
Less food and energy	2.0	1.5	1.1	0.9
PCE chain-type price index	2.0	2.2	0.9	1.0
Less food and energy	2.0	1.8	1.3	1.2
CPI	2.8	2.9	1.5	1.7
Less food and energy	2.9	2.5	2.3	2.2
Median CPI	3.4	2.8	2.9	2.8
Trimmed mean CPI	2.8	2.7	2.0	1.7

1. Excluding housing.

SURVEYS OF (CPI) INFLATION EXPECTATIONS
(Percent)

	Actual inflation ¹	Mean ² (1-year)	University of Michigan Median ³	University of Michigan Mean ⁴ (5- to -10-year)	Median ⁵	Professional forecasters (10-year) ⁶
1997-Q1	2.9	3.8	2.9	3.8	3.1	3.0
Q2	2.3	3.6	2.9	3.8	3.0	2.9
Q3	2.2	3.4	2.7	3.6	3.0	3.0
Q4	1.9	3.3	2.8	3.8	3.1	2.7
1998-Q1	1.5	2.8	2.4	3.3	2.9	2.6
Q2	1.6	3.0	2.6	3.3	2.8	2.5
Q3	1.6	2.8	2.4	3.2	2.8	2.5
Q4	1.5	2.7	2.4	3.2	2.8	2.5
1999-Q1	1.7	3.0	2.6	3.3	2.8	2.3
Oct.	1.5	2.6	2.5	3.2	2.8	
Nov.	1.5	2.7	2.3	3.1	2.8	
Dec.	1.6	2.8	2.5	3.2	2.9	2.5
1999-Jan.	1.7	3.0	2.7	3.5	3.0	
Feb.	1.6	2.8	2.5	3.3	2.8	
Mar.	1.7	3.1	2.7	3.0	2.7	2.3
Apr.	2.3	3.0	2.7	3.0	2.8	
May		2.9	2.7	3.1	2.8	

1. CPI; percent change from the same period in the preceding year.

2. Average increase for responses to the question: By about what percent do you expect prices (CPI) to go up, on the average, during the next 12 months?

3. Median increase for responses to the question above.

4. Average increase for responses to the question: By about what percent per year do you expect prices (CPI) to go up, on the average, during the next 5 to 10 years?

5. Median increase for responses to question above.

6. Compiled by the Federal Reserve Bank of Philadelphia.

GROWTH IN SELECTED COMPONENTS OF INDUSTRIAL PRODUCTION
(Percent change from preceding comparable period)

	Proportion 1998	1998 ¹	1998	1999	1999		
			Q4	Q1	Feb.	Mar.	Apr.
			-Annual rate-		--Monthly rate--		
Total index	100.0	1.9	2.2	1.1	.1	.5	.6
Previous		1.9	2.2	.7	.3	.1	
Manufacturing	88.4	2.5	4.9	1.6	.4	.4	.6
Durables	49.6	5.3	8.6	1.9	.2	.7	.8
Motor vehicles and parts	5.1	.7	37.3	-3.0	1.7	.9	2.3
Aircraft and parts	3.1	8.9	-2.6	-11.2	-.9	.6	-3.1
Nondurables	38.8	-.9	.3	1.2	.6	.1	.3
Manufacturing excluding motor vehicles and parts	83.3	2.6	3.1	1.9	.3	.4	.5
Mining	5.4	-4.9	-10.8	-11.1	-.8	-.7	.1
Utilities	6.2	-1.1	-20.5	4.4	-2.1	2.8	.7
IP by market group							
Consumer goods	27.5	-.4	.1	1.2	.3	-.1	.6
Durables	6.0	4.9	18.0	7.1	1.4	-1.3	2.1
Nondurables	21.5	-1.8	-4.4	-.4	-.1	.2	.2
Business equipment	15.4	8.3	6.2	-1.8	.0	.7	.3
Information processing	6.1	14.4	11.2	6.3	.0	1.5	1.7
Computer and office eq.	2.5	53.0	45.9	29.6	1.3	2.3	1.9
Industrial	4.8	1.5	-2.9	-6.8	-1.4	-.1	.7
Transit	3.1	12.1	19.1	-10.2	-.9	-.1	-1.0
Other	1.5	-1.4	-8.2	2.4	6.6	1.2	-3.7
Construction supplies	6.0	5.1	5.9	7.0	-.5	-.2	.4
Materials	39.1	1.6	3.5	2.2	.3	.8	.9
Durables	23.8	3.8	9.5	3.1	.2	1.3	1.2
Semiconductors	3.9	25.7	51.7	16.6	.6	2.2	3.3
Basic metals	3.6	-6.3	-7.5	.9	-1.5	1.2	-.3
Nondurables	8.4	-2.8	-3.2	2.0	.9	.1	.2

1. From the final quarter of the previous period to the final quarter of the period indicated.

CAPACITY UTILIZATION
(Percent of capacity; seasonally adjusted)

	1988-89	1959-98	1998		1999	1999		
	High	Avg.	Q3	Q4	Q1	Feb.	Mar.	Apr.
Manufacturing	85.7	81.6	80.2	80.1	79.5	79.5	79.6	79.8
Primary processing	88.9	82.8	82.9	82.5	82.9	82.8	82.7	83.0
Advanced processing	84.2	81.1	79.3	79.3	78.4	78.4	78.5	78.8

CHANGES IN MANUFACTURING AND TRADE INVENTORIES
(Billions of dollars; annual rate except as noted;
based on seasonally adjusted Census book value)

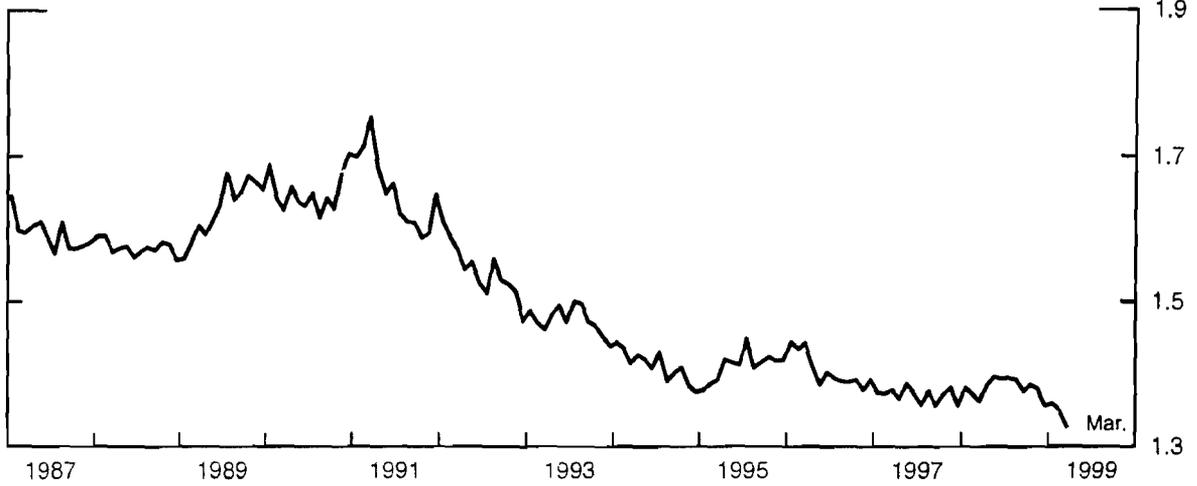
Category	1998		1999		1999	
	Q3	Q4	Q1	Jan.	Feb.	Mar.
Manufacturing and trade	41.4	26.2	35.5	-6.1	42.8	69.9
Less wholesale and retail motor vehicles	33.8	6.3	11.8	-8.0	27.3	16.0
Manufacturing	7.4	-7.0	-13.8	-23.2	-8.0	-10.2
Less aircraft	1.3	-3.9	-4.6	-2.8	-9.4	-1.6
Merchant wholesalers	26.4	11.3	6.5	-12.7	22.3	9.8
Less motor vehicles	24.5	6.3	6.4	-8.3	21.5	6.0
Retail trade	7.6	21.9	42.8	29.7	28.5	70.3
Automotive dealers	5.7	14.9	23.7	6.3	14.7	50.1
Less automotive dealers	1.8	6.9	19.1	23.4	13.8	20.1

SELECTED INVENTORY-SALES RATIOS IN MANUFACTURING AND TRADE
(Months' supply, based on seasonally adjusted Census book value)

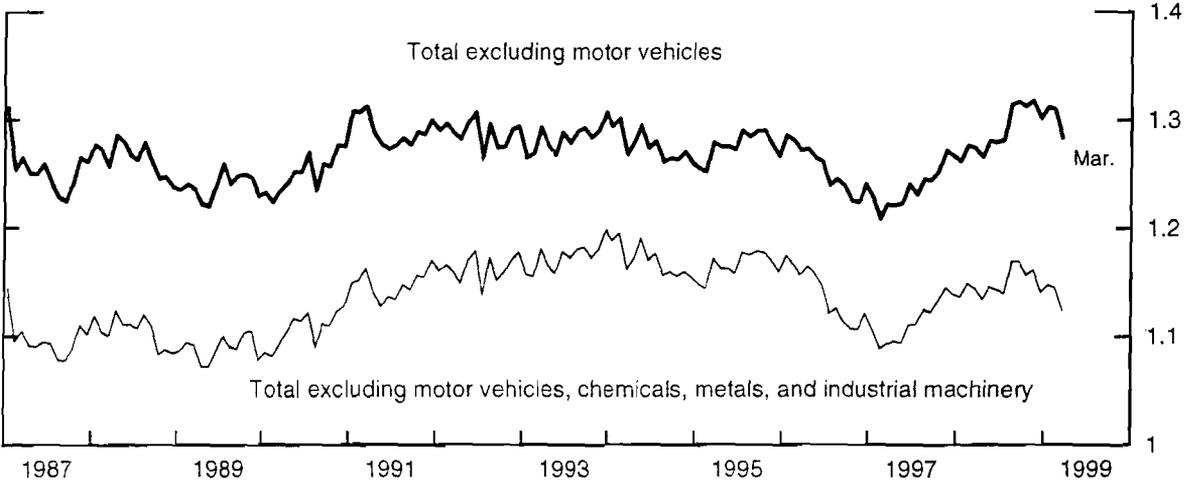
Category	Cyclical reference points		Range over preceding 12 months		March 1999
	1990-91	1991-98	High	Low	
	high	low			
Manufacturing and trade	1.58	1.37	1.39	1.36	1.35
Less wholesale and retail motor vehicles	1.55	1.34	1.37	1.34	1.33
Manufacturing	1.75	1.36	1.40	1.35	1.33
Primary metals	2.08	1.46	1.74	1.55	1.64
Steel	2.56	1.59	2.25	1.83	2.06
Nonelectrical machinery	2.48	1.61	1.67	1.61	1.65
Electrical machinery	2.08	1.21	1.39	1.21	1.23
Transportation equipment	2.93	1.51	1.85	1.56	1.48
Motor vehicles	.97	.53	.64	.53	.52
Aircraft	5.84	4.05	4.97	4.05	4.13
Nondefense capital goods	3.09	2.04	2.21	2.04	2.04
Textiles	1.71	1.38	1.59	1.48	1.58
Paper	1.32	1.06	1.23	1.17	1.20
Chemicals	1.44	1.25	1.45	1.38	1.37
Petroleum	.94	.80	.99	.88	.85
Home goods & apparel	1.96	1.59	1.75	1.60	1.60
Merchant wholesalers	1.36	1.24	1.33	1.29	1.30
Less motor vehicles	1.31	1.21	1.32	1.27	1.28
Durable goods	1.83	1.54	1.66	1.59	1.59
Nondurable goods	.95	.90	.99	.94	.96
Retail trade	1.61	1.44	1.49	1.42	1.44
Less automotive dealers	1.48	1.38	1.43	1.36	1.37
Automotive dealers	2.22	1.56	1.71	1.56	1.66
General merchandise	2.42	1.98	2.07	1.91	1.92
Apparel	2.53	2.27	2.54	2.37	2.36
GAF	2.42	2.04	2.10	1.99	1.98

Inventory-Sales Ratios, by Major Sector (Book value)

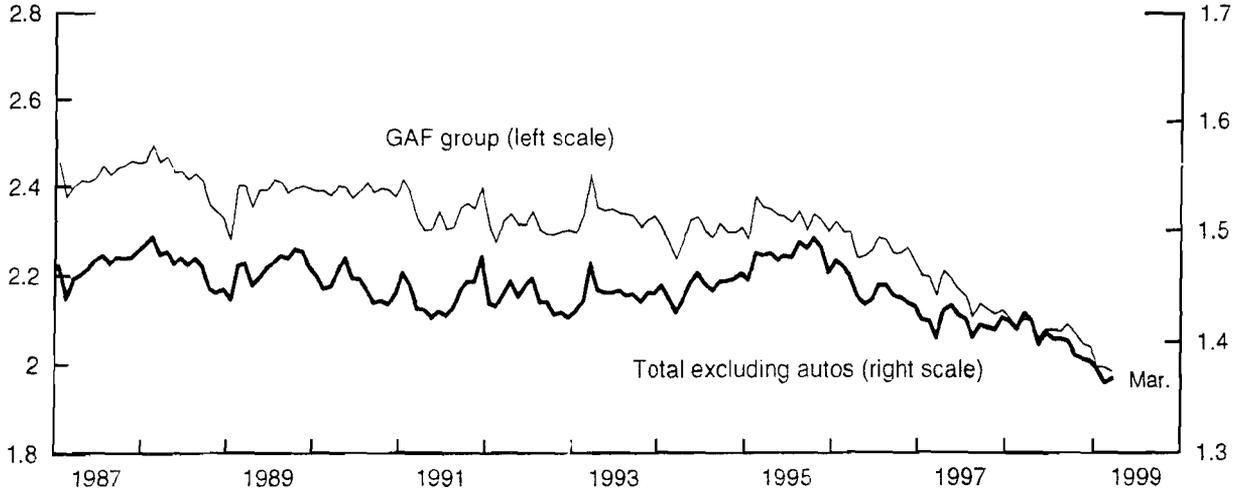
Manufacturing



Wholesale



Retail



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

	1998 Sept.	1998 Oct.	1998 Nov.	1998 Dec.	1999 Jan.	1999 Feb.	1999 Mar.	1999 Apr.	1999 May
Indexes of consumer sentiment (Feb. 1966=100)									
Composite of current and expected conditions	100.9	97.4	102.7	100.5	103.9	108.1	105.7	104.6	106.4
Current conditions	111.7	112.8	115.9	113.9	116.8	115.0	116.3	115.9	123.1
Expected conditions	93.9	87.5	94.3	91.9	95.7	103.6	99.0	97.4	95.6

Personal financial situation									
Now compared with 12 months ago*	126	131	130	128	133	133	130	134	136
Expected in 12 months*	131	133	130	133	132	138	134	136	133
Expected business conditions									
Next 12 months*	130	118	136	130	143	152	141	141	139
Next 5 years*	117	101	113	107	110	127	123	115	114
Appraisal of buying conditions									
Cars	142	153	155	151	157	153	152	150	157
Large household appliances*	164	162	171	168	170	166	172	167	184
Houses	166	178	173	182	176	178	167	168	176
Willingness to use credit	53	53	53	52	47	53	51	49	56
Willingness to use savings	65	70	77	69	75	81	80	73	72
Expected unemployment change - next 12 months	112	121	119	124	115	108	113	109	112
Prob. household will lose a job - next 5 years	22	21	22	19	21	20	21	23	23
Expected inflation - next 12 months									
Mean	2.7	2.6	2.7	2.8	3.0	2.8	3.1	3.0	2.9
Median	2.3	2.5	2.3	2.5	2.7	2.5	2.7	2.7	2.7
Expected inflation - next 5 to 10 years									
Mean	3.4	3.2	3.1	3.2	3.5	3.3	3.0	3.0	3.1
Median	2.9	2.8	2.8	2.9	3.0	2.8	2.7	2.8	2.8

* -- 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, plus 100.

III-T-1
Selected Financial Market Quotations
 (One-day quotes in percent except as noted)

Instrument	1998		1999		Change to May 13 from selected dates (percentage points)		
	Oct. 15	Dec. 31	FOMC* Mar. 30	May 13	Oct. 15	Dec. 31	FOMC* Mar. 30
<i>Short-term</i>							
<i>Federal funds</i>							
FOMC intended rate	5.00	4.75	4.75	4.75	-.25	.00	.00
Realized rate ¹	5.40	4.58	4.79	4.71	-.69	.13	-.08
<i>Treasury bills ²</i>							
3-month	4.05	4.37	4.39	4.46	.41	.09	.07
6-month	4.12	4.39	4.36	4.50	.38	.11	.14
1-year	4.06	4.33	4.50	4.51	.45	.18	.01
<i>Commercial paper</i>							
1-month	5.27	4.90	4.84	4.78	-.49	-.12	-.06
3-month	5.13	4.84	4.80	4.79	-.34	-.05	-.01
<i>Large negotiable CDs ²</i>							
1-month	5.35	5.01	4.87	4.83	-.52	-.18	-.04
3-month	5.31	4.97	4.90	4.88	-.43	-.09	-.02
6-month	5.10	4.97	4.96	4.96	-.14	-.01	.00
<i>Eurodollar deposits ³</i>							
1-month	5.34	4.94	4.81	4.78	-.56	-.16	-.03
3-month	5.28	4.94	4.88	4.84	-.44	-.10	-.04
<i>Bank prime rate</i>							
	8.25	7.75	7.75	7.75	-.50	.00	.00
<i>Intermediate- and long-term</i>							
<i>U.S. Treasury (constant maturity)</i>							
2-year	4.13	4.54	5.02	5.12	.99	.58	.10
10-year	4.58	4.65	5.28	5.41	.83	.76	.13
30-year	5.02	5.09	5.65	5.75	.73	.66	.10
U.S. Treasury 10-year indexed note	3.69	3.88	3.91	3.85	.16	-.03	-.06
Municipal revenue (Bond Buyer) ⁴	5.21	5.26	5.29	5.34	.13	.08	.05
Corporate bonds, Moody's seasoned Baa	7.26	7.23	7.57	7.61	.35	.38	.04
High-yield corporate ⁵	11.29	10.52	10.65	10.30	-.99	-.22	-.35
<i>Home mortgages (FHLMC survey rate) ⁶</i>							
30-year fixed	6.49	6.77	6.98	7.02	.53	.25	.04
1-year adjustable	5.36	5.58	5.69	5.68	.32	.10	-.01

Stock exchange index	Record high		1998	1999		Change to May 13 from selected dates (percent)		
	Level	Date	Dec. 31	FOMC* Mar. 30	May 13	Record high	Dec. 31	FOMC* Mar. 30
Dow-Jones Industrial	11,107.19	5-13-99	9,181.43	10,006.78	11,107.19	.00	20.97	11.00
S&P 500 Composite	1,367.56	5-13-99	1,229.23	1,310.17	1,367.56	.00	11.25	4.38
NASDAQ (OTC)	2,652.05	4-26-99	2,192.69	2,492.84	2,582.00	-2.64	17.75	3.58
Russell 2000	491.41	4-21-98	421.96	399.76	450.84	-8.26	6.84	12.78
Wilshire 5000	12,549.05	5-13-99	11,317.59	11,893.39	12,549.05	.00	10.88	5.51

1. Average for two-week reserve maintenance period ending on or before date shown. Most recent observation is average for current maintenance period to date.

2. Secondary market.

3. Bid rates for Eurodollar deposits collected around 9:30 a.m. Eastern time.

4. Most recent Thursday quote.

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

6. For week ending Friday previous to date shown.

* Data are as of the close on March 29, 1999.

Commercial Bank Credit
(Percent change; seasonally adjusted annual rate)

Type of credit	1998	1998				1999		Level, Apr 1999 (billions of \$)
		Q4	Q1	Feb	Mar	Apr		
1. Bank credit: Reported	11.0	16.9	-1.0	-3.5	-8.9	0.2	4,484.2	
2. Adjusted ¹	10.3	15.4	1.1	-1.9	-1.7	0.1	4,397.2	
3. Securities: Reported	13.9	22.8	-6.0	-10.2	-19.1	-1.7	1,184.1	
4. Adjusted ¹	11.1	17.5	1.7	-4.5	8.9	-2.5	1,097.1	
5. U.S. government	5.8	8.2	4.0	-3.6	11.2	-0.9	797.2	
6. Other ²	31.9	51.9	-24.1	-22.2	-77.3	-3.1	387.0	
7. Loans ³	10.0	14.7	0.9	-1.0	-5.2	0.9	3,300.0	
8. Business	12.2	16.3	0.2	0.3	4.6	2.3	954.1	
9. Real estate	6.7	10.2	7.0	2.5	-0.2	0.4	1,337.5	
10. Home equity	0.0	-3.2	-2.4	-4.9	2.4	9.7	99.4	
11. Other	7.3	11.4	7.7	3.1	-0.3	-0.3	1,238.2	
12. Consumer: Reported	-1.5	5.1	2.5	-1.2	-2.9	1.0	501.6	
13. Adjusted ⁴	6.0	8.0	3.1	-0.2	3.8	4.1	761.6	
14. Other ⁵	29.4	32.9	-14.3	-12.3	-37.8	-0.2	506.8	

Note. Adjusted for breaks caused by reclassifications. Monthly levels are pro rata averages of weekly (Wednesday) levels. Quarterly levels (not shown) are simple averages of monthly levels. Annual levels (not shown) are levels for the fourth quarter. Growth rates shown are percentage changes in consecutive levels, annualized but not compounded

1. Adjusted to remove effects of mark-to-market accounting rules (FIN 39 and FASB 115).

2. Includes securities of corporations, state and local governments, and foreign governments and any trading account assets that are not U.S. government securities.

3. Excludes interbank loans.

4. Includes an estimate of outstanding loans securitized by commercial banks

5. Includes security loans, loans to farmers, state and local governments, and all others not elsewhere classified. Also includes lease financing receivables.