THE WEEK'S HIGHLIGHTS:

- The growth rate of M2 slowed to about 6 percent in the past two months, compared with a rate of over 9 percent in the previous four months (page 8).

- The composite index of leading indicators decreased 0.1 percent in May, following a revised 0.5 percent increase in April and a 0.2 percent increase in March. Contributing to the May decrease were the average work week, initial state unemployment claims, orders for plant and equipment, building permits and stock prices.

- Sales of new single-family houses fell 0.3 percent in May, following a revised increase of 1.1 percent in April. The rate of sales in the first five months of 1988 was 7.8 percent less than in the same period in 1987.

- Business loans at large commercial banks have risen sharply since late March, after showing little net change in the previous 10 months (page 11).

Views expressed do not necessarily reflect official positions of the Federal Reserve System.
### ADJUSTED MONETARY BASE

**AVERAGES OF DAILY FIGURES**

Seasonally Adjusted by this Bank

<table>
<thead>
<tr>
<th>BILLIONS</th>
<th>BILLIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>APR. 20 276.2</td>
<td>279.5</td>
</tr>
<tr>
<td>MAY 4 276.4</td>
<td>278.4</td>
</tr>
<tr>
<td>JUN. 1 276.2</td>
<td>276.3</td>
</tr>
<tr>
<td>15 279.8</td>
<td>279.9</td>
</tr>
<tr>
<td>29 279.3</td>
<td>279.3</td>
</tr>
</tbody>
</table>

**MAY JUN JUL AUG SEP OCT NOV JAN FEB MAR APR MAY JUN JUL**

LATEST PLOTTED RESERVE MAINTENANCE PERIOD ENDING: JUNE 29, 1988

The adjusted monetary base is the sum of reserve accounts of financial institutions at Federal Reserve Banks, currency in circulation (currency held by the public and in the vaults of all depository institutions), and an adjustment for reserve requirement ratio changes. The major source of the adjusted monetary base is Federal Reserve Credit. Data are computed by this bank. A detailed description of the adjusted monetary base is available from this bank.

Recent data are preliminary.

### ADJUSTED MONETARY BASE

**COMPOUNDED ANNUAL RATES OF CHANGE**

Average of Two Maintenance Periods Ending:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.7</td>
<td>5.9</td>
<td>10.4</td>
<td>6.2</td>
<td>9.7</td>
<td>12.5</td>
<td>8.4</td>
<td>6.4</td>
</tr>
<tr>
<td>7.6</td>
<td>8.3</td>
<td>7.5</td>
<td>7.0</td>
<td>7.2</td>
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<td>7.7</td>
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<td>4.3</td>
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<td>8.8</td>
<td>6.2</td>
<td>7.2</td>
<td>8.9</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Prepared by Federal Reserve Bank of St. Louis
MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

1988  BILLIONS

MAY  16  767.9
23  769.0
30  770.9

JUN.  6  773.9
13  771.8
20  778.6

LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 1988
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.
M1 IS THE SUM OF CURRENCY HELD BY THE NONBANK PUBLIC, DEMAND DEPOSITS, OTHER CHECKABLE DEPOSITS AND TRAVELERS CHECKS.

MONEY STOCK (M1)
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11/23/87</td>
<td>3.5</td>
<td>1.9</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/21/87</td>
<td>1.9</td>
<td>1.9</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/18/88</td>
<td>3.7</td>
<td>3.3</td>
<td>4.2</td>
<td>4.2</td>
<td>3.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3/22/88</td>
<td>3.8</td>
<td>4.9</td>
<td>4.2</td>
<td>4.9</td>
<td>3.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/18/88</td>
<td>3.8</td>
<td>4.6</td>
<td>4.1</td>
<td>6.8</td>
<td>6.4</td>
<td>4.0</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>5/23/88</td>
<td>4.0</td>
<td>4.8</td>
<td>4.5</td>
<td>6.5</td>
<td>6.2</td>
<td>4.7</td>
<td>8.9</td>
<td>5.7</td>
</tr>
<tr>
<td>6/20/88</td>
<td>4.1</td>
<td>4.9</td>
<td>4.6</td>
<td>6.4</td>
<td>6.1</td>
<td>4.9</td>
<td>7.9</td>
<td>5.7</td>
</tr>
</tbody>
</table>

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS
MONEY MULTIPLIER \( \lambda \)
CURRENCY COMPONENT OF MONEY STOCK \( z \)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

<table>
<thead>
<tr>
<th>Date</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>APR.</td>
<td>2.797</td>
</tr>
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<td>MAY</td>
<td>2.775</td>
</tr>
<tr>
<td>JUN.</td>
<td>2.811</td>
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</table>

LATEST DATA PLOTTED TWO WEEKS ENDING: JUNE 13, 1988

BILLIONS OF DOLLARS

1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE
2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS
TOTAL CHECKABLE DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS

TOTAL CHECKABLE DEPOSITS

THE SUM OF DEMAND DEPOSITS AND OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS.

LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 1988

TOTAL CHECKABLE DEPOSITS

COMPONDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:


TO THE AVERAGE OF FOUR WEEKS ENDING:

11/23/87  1.5  
12/21/87  -0.5  
1/18/88  0.3  
2/22/88  1.7  
3/21/88  0.8  
4/18/88  1.8  
5/23/88  2.2  
6/20/88  2.5  

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS
YIELDS ON SELECTED SECURITIES
AVERAGES OF DAILY RATES

CORPORATE Aaa BONDS

MUNICIPAL BONDS

90 DAY CD'S

COMMERICAL PAPER

PRIME BANK LOAN RATE

LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING JULY 1, 1988.

<table>
<thead>
<tr>
<th>1988</th>
<th>90-DAY CD'S</th>
<th>30-DAY COMMERCIAL PAPER</th>
<th>90-DAY BANKERS' ACCEPTANCES</th>
<th>CORPORATE Aaa BONDS</th>
<th>CORPORATE Baa BONDS</th>
<th>MUNICIPAL BONDS</th>
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</thead>
<tbody>
<tr>
<td>MAY 6</td>
<td>7.09</td>
<td>6.89</td>
<td>6.96</td>
<td>9.78</td>
<td>10.96</td>
<td>7.84</td>
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<td>13</td>
<td>7.22</td>
<td>7.06</td>
<td>7.11</td>
<td>9.85</td>
<td>11.01</td>
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<tr>
<td>20</td>
<td>7.25</td>
<td>7.08</td>
<td>7.15</td>
<td>9.94</td>
<td>11.07</td>
<td>7.97</td>
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<tr>
<td>27</td>
<td>7.34</td>
<td>7.17</td>
<td>7.22</td>
<td>10.01</td>
<td>11.11</td>
<td>7.96</td>
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<tr>
<td>JUNE 3</td>
<td>7.50</td>
<td>7.38</td>
<td>7.34</td>
<td>10.00</td>
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<tr>
<td>10</td>
<td>7.45</td>
<td>7.36</td>
<td>7.33</td>
<td>9.93</td>
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<td>17</td>
<td>7.44</td>
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<td>9.80</td>
<td>10.97</td>
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<tr>
<td>24</td>
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<td>7.43</td>
<td>7.42</td>
<td>9.79</td>
<td>10.94</td>
<td>7.77</td>
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<td>JULY 1</td>
<td>7.61</td>
<td>7.55</td>
<td>7.49</td>
<td>9.81</td>
<td>10.96</td>
<td>N.A.</td>
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<tr>
<td>22</td>
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</tr>
<tr>
<td>29</td>
<td></td>
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</tr>
</tbody>
</table>

NOTE: CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE.

* AVERAGES OF RATES AVAILABLE

** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA

N.A. - NOT AVAILABLE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS
# SELECTED INTEREST RATES

**AVERAGES OF DAILY RATES**

**5-YEAR TREASURY SECURITIES**

**FEDERAL FUNDS RATE**

**DISCOUNT RATE**

**3-MONTH TREASURY BILL**

**LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 1, 1988.**

<table>
<thead>
<tr>
<th>1988</th>
<th>FEDERAL FUNDS</th>
<th>3-MONTH TREASURY BILL</th>
<th>6-MONTH TREASURY BILL</th>
<th>1-YEAR TREASURY BILL</th>
<th>5-YEAR TREASURY SECURITIES</th>
<th>LONG-TERM TREASURY SECURITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAY</td>
<td>6.82</td>
<td>6.16</td>
<td>6.41</td>
<td>6.75</td>
<td>8.39</td>
<td>9.15</td>
</tr>
<tr>
<td>13</td>
<td>7.02</td>
<td>6.26</td>
<td>6.51</td>
<td>6.85</td>
<td>8.53</td>
<td>9.23</td>
</tr>
<tr>
<td>20</td>
<td>7.04</td>
<td>6.22</td>
<td>6.50</td>
<td>6.91</td>
<td>8.64</td>
<td>9.38</td>
</tr>
<tr>
<td>27</td>
<td>7.14</td>
<td>6.35</td>
<td>6.71</td>
<td>7.07</td>
<td>8.73</td>
<td>9.44</td>
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<tr>
<td>JUNE</td>
<td>3</td>
<td>7.41</td>
<td>6.45</td>
<td>6.83</td>
<td>7.08</td>
<td>8.61</td>
</tr>
<tr>
<td>3</td>
<td>7.37</td>
<td>6.43</td>
<td>6.72</td>
<td>6.97</td>
<td>8.60</td>
<td>9.25</td>
</tr>
<tr>
<td>10</td>
<td>7.43</td>
<td>6.36</td>
<td>6.67</td>
<td>6.91</td>
<td>8.41</td>
<td>9.15</td>
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<tr>
<td>17</td>
<td>7.54</td>
<td>6.50</td>
<td>6.83</td>
<td>7.02</td>
<td>8.52</td>
<td>9.12</td>
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<tr>
<td>24</td>
<td>7.63</td>
<td>6.58</td>
<td>6.75</td>
<td>7.02</td>
<td>8.51</td>
<td>9.09</td>
</tr>
</tbody>
</table>

**NOTE:** CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE EXCLUDING LONG-TERM TREASURY SECURITIES WHICH ARE COMPUTED BY THIS BANK. TREASURY BILL YIELDS ARE ON A DISCOUNT BASIS.

**AVERAGES OF RATES AVAILABLE**

**SEVEN-DAY AVERAGES FOR WEEK ENDING TWO DAYS EARLIER THAN DATE SHOWN**

**AUCTION AVERAGE (DISCOUNT)**

**PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS**
BILLIONS OF DOLLARS
MONEY STOCK (M2)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 1988
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE

M2 IS THE SUM OF M1, OVERNIGHT RPS ISSUED BY ALL COMMERCIAL BANKS, OVERNIGHT EURODOLLARS ISSUED TO U.S. RESIDENTS BY FOREIGN BRANCHES OF U.S. BANKS, MONEY MARKET DEPOSIT ACCOUNTS, SAVINGS AND SMALL TIME DEPOSITS, AND GENERAL PURPOSE AND BROKER/DEALER MONEY MARKET MUTUAL FUNDS. FOR MORE DETAIL, SEE THE H.6 RELEASE.

MONEY STOCK (M2)
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS
ALL DEPOSITORY INSTITUTIONS
TOTAL TIME DEPOSITS \( t \)
LARGE TIME DEPOSITS \( l \)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

COMPOUNDED ANNUAL RATES
OF CHANGE, AVERAGE OF
THE FOUR WEEKS ENDING:
JUNE 20, 1988 FROM
THE FOUR WEEKS ENDING:

<table>
<thead>
<tr>
<th>Date</th>
<th>Change Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>APR. 18, 1988</td>
<td>9.0</td>
</tr>
<tr>
<td>MAR. 21, 1988</td>
<td>9.2</td>
</tr>
<tr>
<td>FEB. 22, 1988</td>
<td>10.5</td>
</tr>
<tr>
<td>JAN. 18, 1988</td>
<td>11.3</td>
</tr>
<tr>
<td>SEP. 21, 1987</td>
<td>11.6</td>
</tr>
<tr>
<td>JUN. 22, 1987</td>
<td>10.6</td>
</tr>
</tbody>
</table>

TOTAL TIME DEPOSITS
MAY 16 1988 BILLIONS
23 1989.5
JUN. 6 1990.1
13 1990.4
20 1990.3

LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 1988

1/ TOTAL TIME IS THE SUM OF SAVINGS DEPOSITS, SMALL TIME DEPOSITS AND LARGE TIME DEPOSITS.
2/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF $100,000 OR MORE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS
BORROWINGS FROM FEDERAL RESERVE BANKS
AVERAGES OF DAILY FIGURES
BILLIONS OF DOLLARS

LATEST DATA PLOTTED WEEK ENDING: JUNE 29, 1988

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS
COMMERCIAL PAPER OF NONFINANCIAL COMPANIES

BILLIONS OF DOLLARS

NOT SEASONALLY ADJUSTED

1988

MILLIONS

MAY 18 94.18
25 91.06
JUN. 1 91.16
8 91.55
15 94.73
22 93.08

LATEST DATA PLOTTED WEEK ENDING: JUNE 22, 1988

DASHED LINE REPRESENTS DATA USING A NEW REPORTING PANEL AND IS NOT COMPARABLE TO PREVIOUS DATA.

BUSINESS LOANS

(COMMERCIAL AND INDUSTRIAL)

WEEKLY REPORTING LARGE COMMERCIAL BANKS

SEASONALLY ADJUSTED

COMPOUNDED ANNUAL RATES

OF CHANGE, AVERAGE OF
THE FOUR WEEKS ENDING
JUNE 15, 1988 FROM
THE FOUR WEEKS ENDING:

APR. 13, 1988 13.9
MAR. 16, 1988 13.1
FEB. 17, 1988 9.0
JAN. 13, 1988 9.1
DEC. 16, 1987 5.6
SEP. 16, 1987 5.2
JUN. 17, 1987 5.3

LATEST DATA PLOTTED WEEK ENDING: JUNE 15, 1988

1/ BUSINESS LOANS INCLUDE BANKERS' ACCEPTANCES AND COMMERCIAL PAPER.
2/ BANKS WITH DOMESTIC ASSETS GREATER THAN #1.4 BILLION

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS
DOLLAR’S TRADE-WEIGHTED EXCHANGE INDEX
AVERAGES OF DAILY FIGURES

LATEST DATA PLOTTED WEEK ENDING: JUNE 29, 1988

NOTE: CURRENT DATA APPEAR IN THE BOARD OF GOVERNOR’S H.10 RELEASE.
DATA ARE WEIGHTED AVERAGES OF THE FOREIGN-CURRENCY PRICE OF THE U.S. DOLLAR, COMPUTED USING 10 INDUSTRIAL COUNTRY CURRENCIES.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS