THE WEEK’S HIGHLIGHTS:

✓ Nonfarm payroll employment increased by 239,000 in June, following an increase of 365,000 in May. Payroll employment increased by an average of 265,000 per month in the second quarter, slightly above the first quarter average. The June unemployment rate measured 5.3 percent, the lowest rate since June 1990.

✓ New single-family home sales were at an annual rate of 828,000 units in May, up 7.5 percent from April—the fourth increase this year. On a year-to-date basis, new home sales have totaled 344,000 units, 25.1 percent above the same period a year earlier.

✓ After decreasing at a 1.8 percent annual rate over the first four months of 1996, real disposable personal income increased at a 15.3 percent rate in May. Real personal consumption expenditures increased at an 8.6 percent rate in May, after increasing at a 1.6 percent rate over the first four months of this year.

✓ The index of leading economic indicators rose 0.3 percent in May, as seven of the 11 indicators contributed positively. This was the fourth consecutive increase.

✓ The real value of total new construction put in place fell $5.1 billion in May, or 1 percent. Compared with a year earlier, total construction was up 1.8 percent.

All data are seasonally adjusted unless otherwise indicated.
### Adjusted Monetary Base

**Averages of Daily Figures**

#### Seasonally Adjusted

<table>
<thead>
<tr>
<th>Billions of Dollars</th>
<th>Billions of Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 24</td>
<td>473.0</td>
</tr>
<tr>
<td>May 8</td>
<td>470.5</td>
</tr>
<tr>
<td>May 22</td>
<td>474.3</td>
</tr>
<tr>
<td>Jun 5</td>
<td>474.7</td>
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<tr>
<td>Jun 19</td>
<td>474.7</td>
</tr>
<tr>
<td>Jul 3</td>
<td>478.1</td>
</tr>
</tbody>
</table>

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>
<th></th>
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<tr>
<td>12/6/95</td>
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<tr>
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<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
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<tr>
<td>3/27/96</td>
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<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
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<tr>
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<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>6/5/96</td>
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<td>1.8</td>
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<td>2.1</td>
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</tbody>
</table>

Prepared by Federal Reserve Bank of St. Louis
Money Stock (M1) and Total Checkable Deposits
Averages of Daily Figures
Seasonally Adjusted

<table>
<thead>
<tr>
<th>Date</th>
<th>M1 (left scale)</th>
<th>TCD (right scale)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2011</td>
<td>1118.3</td>
<td>732.4</td>
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<td>Jun 2011</td>
<td>1123.3</td>
<td>726.8</td>
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<td>Jul 2011</td>
<td>1114.0</td>
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<td>Aug 2011</td>
<td>1120.1</td>
<td>715.3</td>
</tr>
<tr>
<td>Sep 2011</td>
<td>1128.6</td>
<td>709.3</td>
</tr>
<tr>
<td>Oct 2011</td>
<td>1121.0</td>
<td>702.1</td>
</tr>
<tr>
<td>Nov 2011</td>
<td>1120.0</td>
<td>693.9</td>
</tr>
<tr>
<td>Dec 2011</td>
<td>1121.5</td>
<td>683.7</td>
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</table>

M1 is the sum of currency held by the nonbank public, demand deposits, other checkable deposits and travelers checks. Total checkable deposits is the sum of demand deposits and other checkable deposits at depository institutions. Current data appear in the Federal Reserve Board's H.6 release.

Money Stock (M1)
Compounded annual rates of change, average of four weeks ending:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>11/27/95</td>
<td>-3.1</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
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<td>-5.8</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/22/96</td>
<td>-3.4</td>
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<td>-4.3</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/26/96</td>
<td>-3.6</td>
<td>-5.1</td>
<td>-4.4</td>
<td>-4.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>-0.3</td>
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<td>3.3</td>
<td></td>
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<td></td>
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<tr>
<td>4/22/96</td>
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<td>-0.7</td>
<td>0.4</td>
<td>1.5</td>
<td>5.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/27/96</td>
<td>-2.5</td>
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<td>-3.4</td>
<td>-3.9</td>
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</table>

Prepared by Federal Reserve Bank of St. Louis
Adjusted Reserves

Seasonally Adjusted

Adjusted reserves is the difference between the adjusted monetary base and the currency component of M1.

<table>
<thead>
<tr>
<th>Date</th>
<th>Billions of Dollars</th>
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<tbody>
<tr>
<td>Apr 10</td>
<td>97.0</td>
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<td>May 18</td>
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<td>Jun 19</td>
<td>96.0</td>
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Adjusted Reserves

Compounded annual rates of change, average of two maintenance periods ending:

<table>
<thead>
<tr>
<th>Period Ending</th>
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<th>3.4</th>
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<tbody>
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<tr>
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<tr>
<td>6/19/96</td>
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</tr>
</tbody>
</table>

Prepared by Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
Money Multiplier

Averages of Daily Figures
Seasonally Adjusted

Compounded annual rates of change, average of the four weeks ending June 17, 1996, from the four weeks ending:

<table>
<thead>
<tr>
<th>Date</th>
<th>Ratio</th>
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<tbody>
<tr>
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<tr>
<td>Sep 19, 1995</td>
<td>-4.6</td>
</tr>
<tr>
<td>Dec 18, 1995</td>
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</tr>
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<td>Jun 20, 1996</td>
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<tr>
<td>Feb 20, 1996</td>
<td>-2.2</td>
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<tr>
<td>Mar 20, 1996</td>
<td>-4.8</td>
</tr>
<tr>
<td>Apr 22, 1996</td>
<td>-6.4</td>
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</tbody>
</table>

1995 1996

Ratio of M1 to adjusted monetary base.

Currency Component of M1

Averages of Daily Figures
Seasonally Adjusted

Compounded annual rates of change, average of the four weeks ending June 24, 1996, from the four weeks ending:

<table>
<thead>
<tr>
<th>Date</th>
<th>Billions of Dollars</th>
</tr>
</thead>
<tbody>
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<td>370</td>
</tr>
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<td>Sep 22, 1995</td>
<td>377.2</td>
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<td>Dec 19, 1995</td>
<td>378.2</td>
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<td>378.4</td>
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<tr>
<td>Mar 22, 1996</td>
<td>379.0</td>
</tr>
<tr>
<td>Apr 22, 1996</td>
<td>380.4</td>
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</tbody>
</table>

1995 1996


Prepared by Federal Reserve Bank of St. Louis
Yields on Selected Securities
Averages of Daily Figures

<table>
<thead>
<tr>
<th>1996</th>
<th>30-Day Commercial Paper</th>
<th>90-Day CDs</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>Apr 12</td>
<td>5.42</td>
<td>5.39</td>
<td>5.31</td>
<td>7.60</td>
<td>8.30</td>
<td>6.03</td>
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<tr>
<td>19</td>
<td>5.39</td>
<td>5.36</td>
<td>5.28</td>
<td>7.50</td>
<td>8.19</td>
<td>5.94</td>
</tr>
<tr>
<td>26</td>
<td>5.38</td>
<td>5.36</td>
<td>5.26</td>
<td>7.48</td>
<td>8.16</td>
<td>5.91</td>
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<td>May 3</td>
<td>5.40</td>
<td>5.36</td>
<td>5.29</td>
<td>7.65</td>
<td>8.33</td>
<td>6.06</td>
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<tr>
<td>10</td>
<td>5.40</td>
<td>5.37</td>
<td>5.30</td>
<td>7.72</td>
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<td>6.08</td>
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<td>5.38</td>
<td>5.36</td>
<td>5.28</td>
<td>7.57</td>
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<tr>
<td>Jun 7</td>
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<td>5.42</td>
<td>5.34</td>
<td>7.87</td>
<td>8.34</td>
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<td>28</td>
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<td>5.40</td>
<td>7.66</td>
<td>8.36</td>
<td>5.97</td>
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<tr>
<td>Jul 5</td>
<td>5.48</td>
<td>5.46</td>
<td>5.40</td>
<td>7.55</td>
<td>8.25</td>
<td>N.A.</td>
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</table>

Current data are from the Federal Reserve Board's H.15 release, and are averages of rates available for the week ending on July 5, 1996.
** 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 Figures

Except for long-term Treasury securities, which are computed by this Bank, current data appear in the Federal Reserve Board's H.15 release.

* Averages of rates available
** Seven-day averages for week ending two days earlier than date shown

Prepared by Federal Reserve Bank of St. Louis
Money Stock (M2) and Non-M1 Components of M2

Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars
Billions of Dollars

May 20
Jun 3
16

M2 is the sum of M1, savings (including money market deposit accounts), small time deposits and retail money funds. Current data appear in the Federal Reserve Board’s H.6 release.

Money Stock (M2)

Compounded annual rates of change, average of four weeks ending:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11/27/95</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
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</tr>
<tr>
<td>1/22/96</td>
<td>5.2</td>
<td>4.7</td>
<td>6.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/26/96</td>
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<td>5.3</td>
<td>5.2</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>3/25/96</td>
<td>5.9</td>
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<td>7.2</td>
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<td>8.0</td>
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<td>5/27/96</td>
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<td>4.2</td>
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<td>4.4</td>
<td>4.7</td>
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</tbody>
</table>

Prepared by Federal Reserve Bank of St. Louis
Savings and Small Time Deposits

Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Savings
Small Time

1996
May 20 1197.7
27 1201.6
Jun 3 1199.0
10 1210.3
17 1208.2
24 1202.7

1996
May 20 928.4
27 926.6
Jun 3 928.2
10 928.0
17 927.8
24 927.9

Savings deposits and small time deposits are at all depository institutions.

Large Time Deposits and Retail Money Funds

Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Large Time
Retail Money

1995
1996
May Jun Jul Aug Sep Oct Apr Moy Jun
Large Time Deposits and Retail Money Funds are at all depository institutions. Large time deposits are those issued in denominations of $100,000 or more. Retail money funds were originally called general purpose and broker/dealer money market funds.

Prepared by Federal Reserve Bank of St. Louis
Total Borrowings
From Federal Reserve Banks
Averages of Daily Figures

<table>
<thead>
<tr>
<th></th>
<th>Billions of Dollars</th>
<th>Billions of Dollars</th>
</tr>
</thead>
<tbody>
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<td>1995</td>
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<tr>
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<td>0.779</td>
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<tr>
<td>Feb 26</td>
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<tr>
<td>Feb 3</td>
<td>0.523</td>
<td>0.523</td>
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</table>

Borrowings include seasonal, adjustment and extended credit.

Bank Loans and Credit
All Commercial Banks in the United States

<table>
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<tr>
<th></th>
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<tbody>
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<td>Jul 12</td>
<td>3668.6</td>
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<td>Jul 19</td>
<td>3653.5</td>
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</table>

Current data appear in the Federal Reserve Board's H.8 release.

1/ Includes foreign-related institutions
2/ Includes loans and leases and securities

Prepared by Federal Reserve Bank of St. Louis
Commercial Paper of Nonfinancial Companies
Not Seasonally Adjusted

<table>
<thead>
<tr>
<th>Month</th>
<th>Billions</th>
<th>Billions</th>
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</thead>
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<tr>
<td>Jun</td>
<td>199.954</td>
<td>199.220</td>
</tr>
<tr>
<td>Jul</td>
<td>205.672</td>
<td>198.505</td>
</tr>
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</table>

Commercial and Industrial Loans
Seasonally Adjusted

<table>
<thead>
<tr>
<th>Year</th>
<th>Billions</th>
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</thead>
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<tr>
<td>1995</td>
<td>732.5</td>
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<tr>
<td>1996</td>
<td>732.2</td>
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Current data appear in the Federal Reserve Board's H.8 release.
1/ Includes foreign-related institutions
2/ Weekly reporting, domestically chartered banks

Prepared by Federal Reserve Bank of St. Louis
Dollar's Trade–Weighted Exchange Index
Averages of Daily Figures

Current data appear in the Federal Reserve Board'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