July 16, 1998

USFinancialData

THE FEDERAL RESERVE BANK of ST. LOUIS

THE WEEK'S HIGHLIGHTS:

- *The index of industrial production fell 0.6 percent in June, its largest decline since December 1991. Although the bulk of the decline stemmed from an 11 percent drop in motor vehicle output (most likely strike-related), total production excluding motor vehicles and parts still fell about 0.1 percent.*

- *The consumer price index (CPI-U) rose 0.1 percent in June, or 0.7 percent at an annual rate. Gains of 3 percent or more in April and May, however, caused the CPI to advance at a 2 percent rate in the second quarter, a marked uptick from the 0.5 percent inflation rate seen in the first quarter. Measured from four quarters earlier, the CPI is up 1.6 percent.*

- *After rising a robust 1.2 percent in May, the value of retail sales in current dollar terms rose 0.1 percent in June. For the second quarter, sales increased at an 8 percent annual rate, nearly equaling the 8.3 percent rate posted in the first quarter.*

- *Producer prices for finished goods (PPI) fell 0.1 percent in June, while those of intermediate materials fell 0.3 percent and prices of crude materials dropped 1.4 percent. Measured from a year earlier, finished goods prices have fallen 0.8 percent, with intermediate and crude materials prices declining 1.8 percent and 8 percent, respectively.*

- *Paced by a 3.9 percent drop in petroleum prices, the index of U.S. import prices fell 0.5 percent in June. Import prices have yet to increase this year and are off 5.6 percent from a year earlier.*

All data are seasonally adjusted unless otherwise indicated.

U.S. Financial Data is published weekly by the Research Division of the Federal Reserve Bank of St. Louis. For more information on data, please call (314) 444-8590. To be added to the mailing list, please call (314) 444-8808 or (314) 444-8809.

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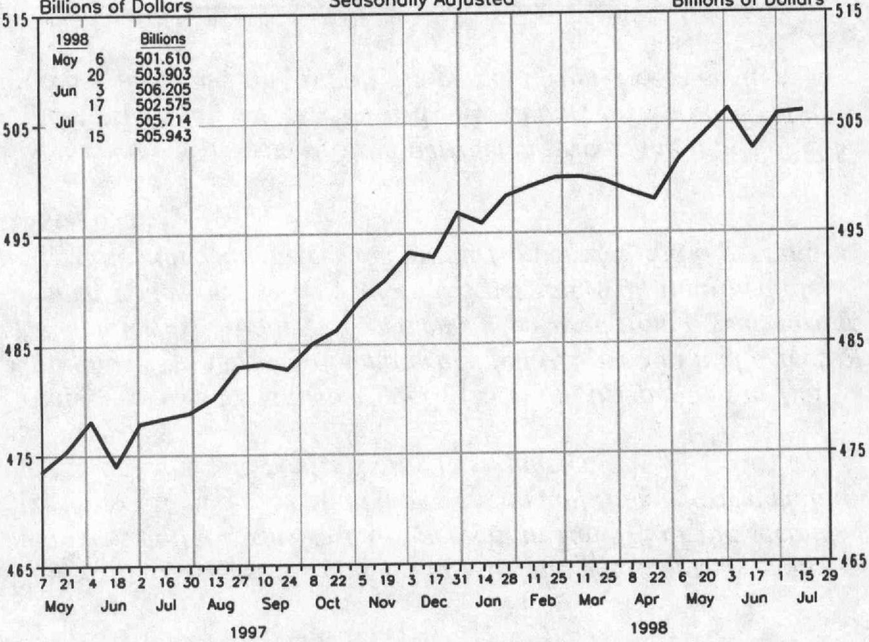
Adjusted Monetary Base

Averages of Daily Figures
Seasonally Adjusted



The adjusted monetary base is the sum of Federal Reserve deposits and vault cash held by domestic depository institutions, currency held by the public, and an adjustment for the effect of changes in reserve requirement ratios. The monetary base series was recently revised to include Federal Reserve deposits used to satisfy clearing balance contracts. 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:

To the average of two maintenance periods ending:	7/16/97	10/8/97	12/17/97	1/14/98	2/11/98	3/11/98	4/8/98	5/20/98
12/17/97	7.6							
1/14/98	7.8	9.9						
2/11/98	7.6	9.2	7.9					
3/11/98	7.1	8.1	6.3	5.0				
4/8/98	6.1	6.4	4.1	2.5	0.5			
5/20/98	6.1	6.4	4.7	3.8	3.0	2.8		
6/17/98	6.0	6.2	4.7	3.9	3.3	3.2	5.5	
7/15/98	5.8	5.9	4.5	3.9	3.4	3.4	5.0	4.0

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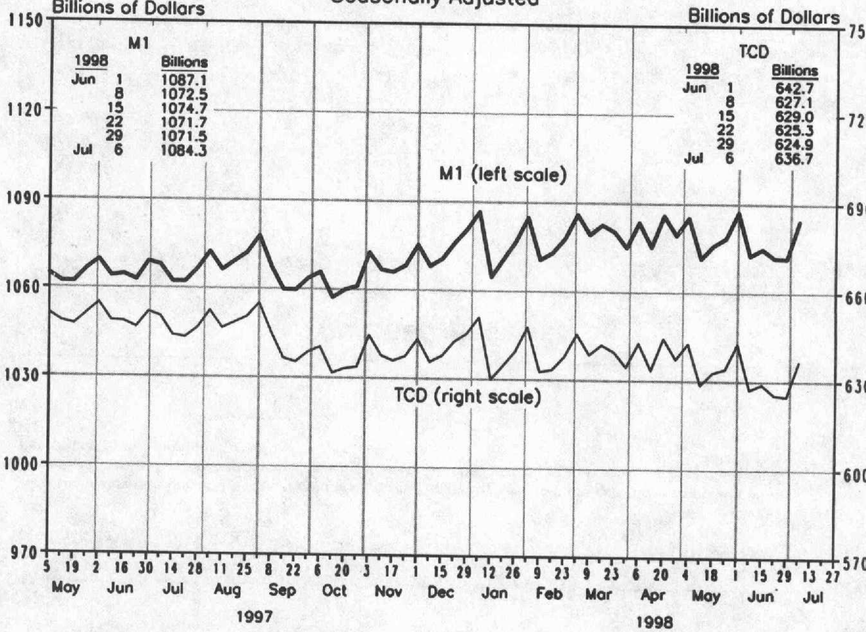
Money Stock(M1) and Total Checkable Deposits

Averages of Daily Figures
Seasonally Adjusted



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)

To the average of four weeks ending:	Compounded annual rates of change, average of four weeks ending: 7/7/97	10/6/97	12/8/97	1/5/98	2/9/98	3/9/98	4/6/98	5/4/98
12/8/97	0.7							
1/5/98	2.4	6.3						
2/9/98	1.5	3.7	3.5					
3/9/98	1.8	3.8	3.7	0.3				
4/6/98	1.8	3.4	3.2	0.7	2.8			
5/4/98	1.7	3.2	2.8	0.8	2.3	1.5		
6/8/98	1.3	2.3	1.7	0.0	0.8	−0.2	−1.0	
7/6/98	0.9	1.7	1.0	−0.5	0.0	−1.0	−1.7	−3.1

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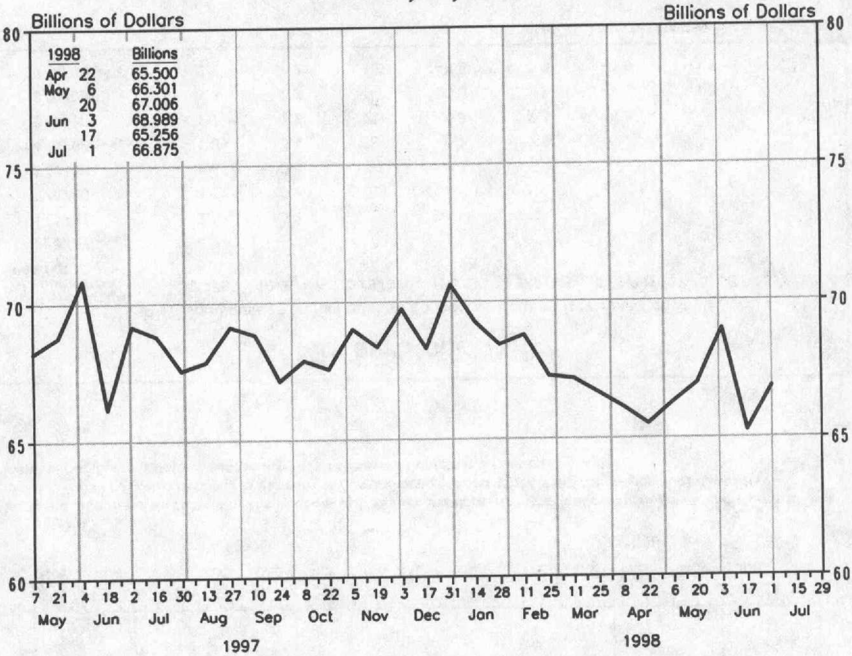
Adjusted Reserves
Seasonally Adjusted



Adjusted reserves is the difference between the adjusted monetary base and the currency component of M1. The adjusted monetary base series was recently revised: See the footnote to the monetary base chart for a description of the change.

Adjusted Reserves

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

To the average of two maintenance periods ending:	7/2/97	9/24/97	12/3/97	12/31/97	1/28/98	2/25/98	3/25/98	5/6/98
12/3/97	4.9							
12/31/97	5.4	8.2						
1/28/98	3.1	3.7	−1.8					
2/25/98	0.8	0.1	−6.2	−12.5				
3/25/98	−1.5	−3.1	−9.7	−14.8	−16.8			
5/6/98	−3.1	−5.0	−10.5	−14.1	−15.0	−15.3		
6/3/98	0.5	0.0	−3.0	−4.9	−3.6	−0.2	8.6	
7/1/98	−2.4	−3.7	−7.4	−9.5	−9.3	−8.1	−4.7	1.6

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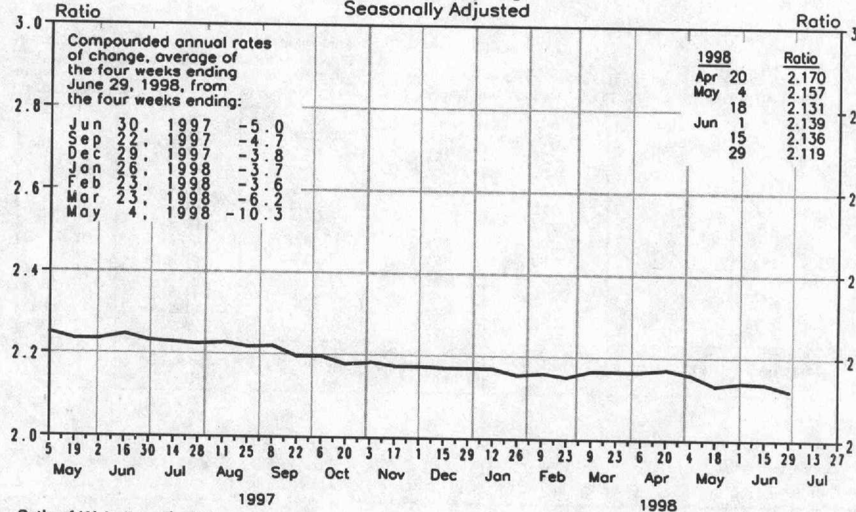
Money Multiplier

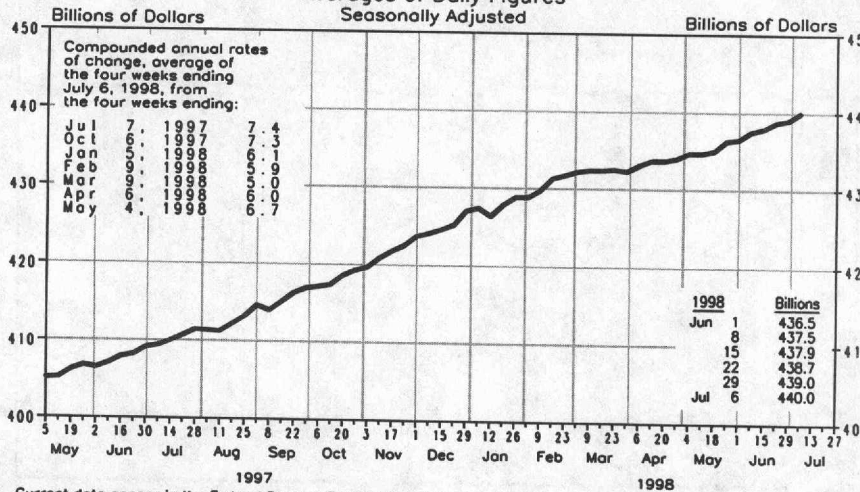
Averages of Daily Figures
Seasonally Adjusted



Ratio of M1 to the adjusted monetary base.

Currency Component of M1

Averages of Daily Figures
Seasonally Adjusted



Current data appear in the Federal Reserve Board's H.6 release.

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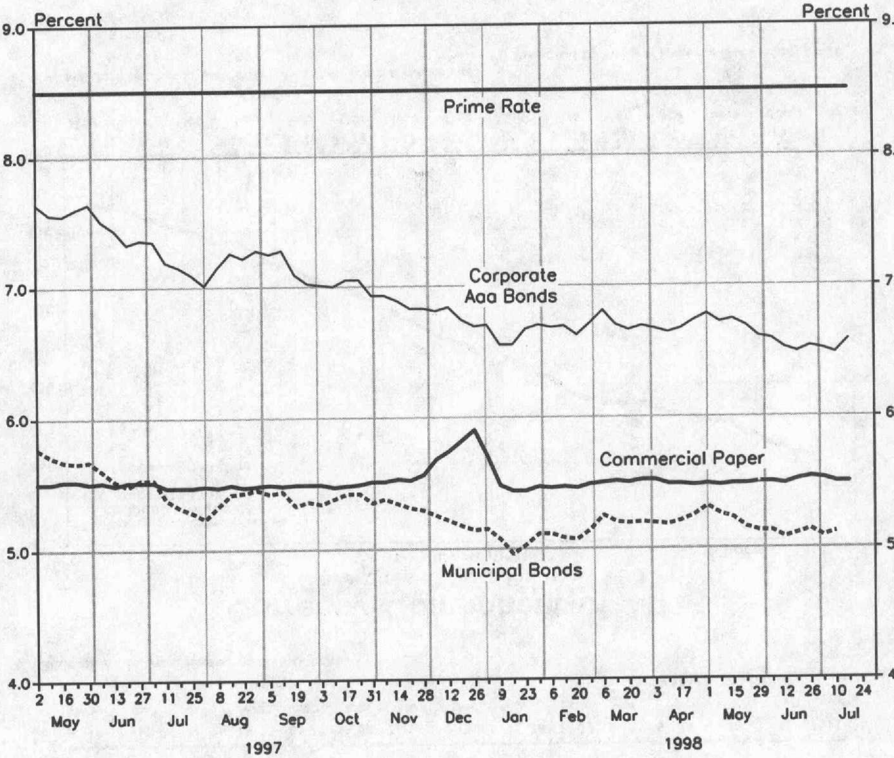
Yields on Selected Securities

Averages of Daily Figures



1998	30-Day Commercial Paper	90-Day CDs	90-Day Bankers' Acceptances	Corporate Aaa Bonds	Corporate Baa Bonds	Municipal Bonds **
Apr 24	5.48	5.58	5.48	6.73	7.35	5.25
May 1	5.49	5.60	5.47	6.78	7.40	5.32
8	5.48	5.58	5.49	6.72	7.34	5.26
15	5.49	5.59	5.48	6.74	7.35	5.23
22	5.49	5.60	5.48	6.69	7.27	5.16
29	5.50	5.59	5.48	6.61	7.21	5.13
Jun 5	5.50	5.59	5.50	6.59	7.19	5.13
12	5.49	5.59	5.50	6.52	7.13	5.08
19	5.52	5.59	5.48	6.49	7.10	5.11
26	5.54	5.60	5.50	6.53	7.13	5.14
Jul 3	5.53	5.60	5.53	6.51	7.11	5.09
10	5.50	5.59	5.50	6.48	7.09	5.12
17	5.50	5.59	5.50	6.58	7.17	N.A.

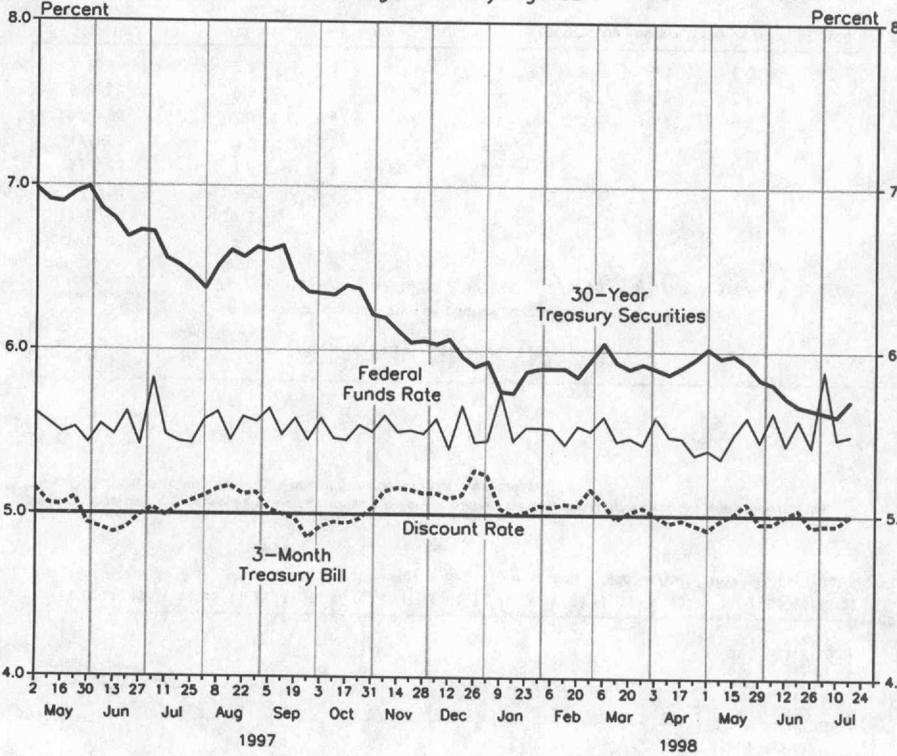
Current data are from the Federal Reserve Board's H.15 release, and are averages of rates available for the week ending on July 17, 1998. Beginning September 2, 1997, the commercial paper rate reflects new source data, which is currently available only back to the first of the year.

** Bond Buyer's Average Index of 20 municipal bonds, Thursday data

Prepared by Federal Reserve Bank of St. Louis

Selected Interest Rates

Averages of Daily Figures



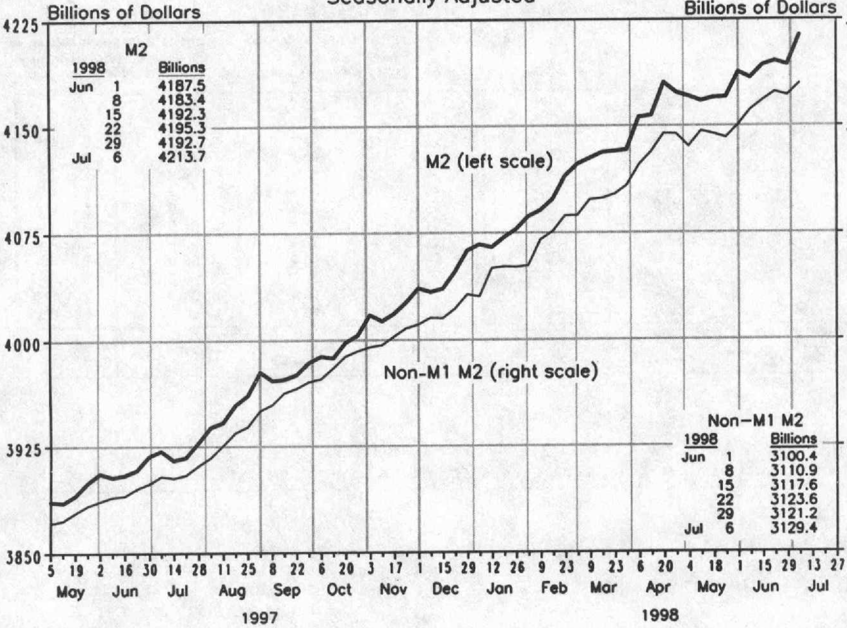
1998	Federal Funds ••	3-Month Treasury Bill	1-Year Treasury Bill	5-Year Treasury Securities	10-Year Treasury Securities	30-Year Treasury Securities
Apr 24	5.37	4.94	5.12	5.65	5.67	5.95
May 1	5.40	4.91	5.17	5.72	5.75	6.02
8	5.35	4.97	5.15	5.63	5.68	5.96
15	5.49	5.01	5.18	5.67	5.70	5.98
22	5.60	5.08	5.17	5.63	5.64	5.92
29	5.45	4.95	5.15	5.57	5.57	5.83
Jun 5	5.63	4.95	5.14	5.57	5.57	5.80
12	5.43	5.00	5.14	5.53	5.51	5.72
19	5.58	5.04	5.12	5.51	5.47	5.67
26	5.42	4.93	5.13	5.50	5.46	5.65
Jul 3	5.88	4.94	5.10	5.46	5.44	5.63
10	5.47	4.94	5.07	5.41	5.41	5.61
17 •	5.49	5.00	5.08	5.46	5.48	5.70

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



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)

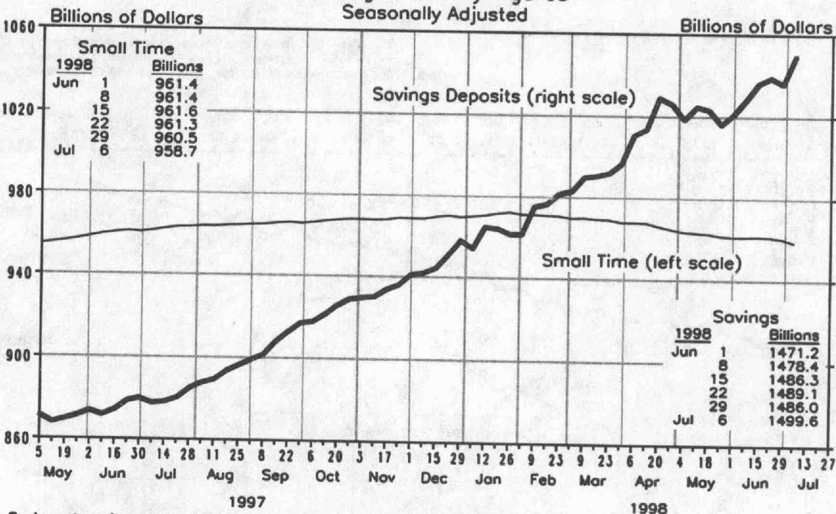
Compounded annual rates of change, average of four weeks ending:

To the average of four weeks ending:	7/7/97	10/6/97	12/8/97	1/5/98	2/9/98	3/9/98	4/6/98	5/4/98
12/8/97	7.1							
1/5/98	7.3	7.5						
2/9/98	7.3	7.5	7.8					
3/9/98	7.8	8.3	9.0	9.3				
4/6/98	7.7	8.1	8.6	8.7	9.4			
5/4/98	8.0	8.4	9.0	9.1	9.8	8.9		
6/8/98	7.3	7.5	7.5	7.4	7.4	6.1	5.6	
7/6/98	7.3	7.4	7.4	7.3	7.3	6.3	6.0	4.0

Prepared by Federal Reserve Bank of St. Louis

Savings and Small Time Deposits

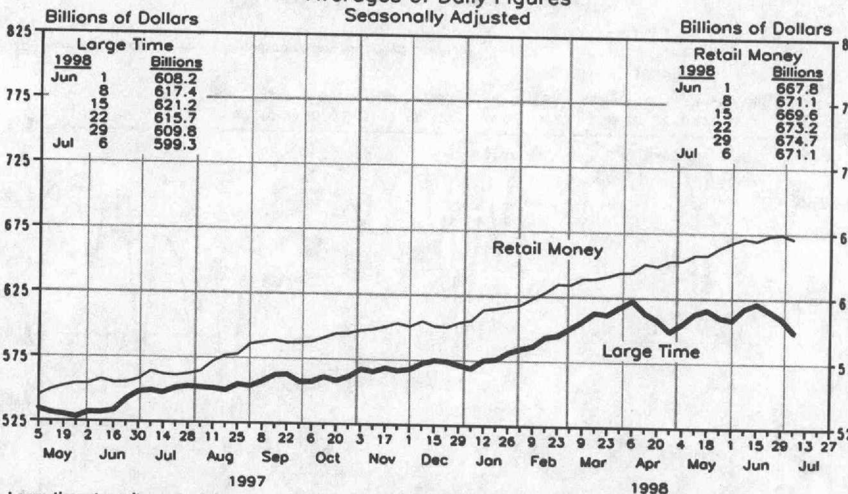
Averages of Daily Figures
Seasonally Adjusted



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

Large Time Deposits and Retail Money Funds

Averages of Daily Figures
Seasonally Adjusted



Large time deposits and retail money funds are at all despository 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.

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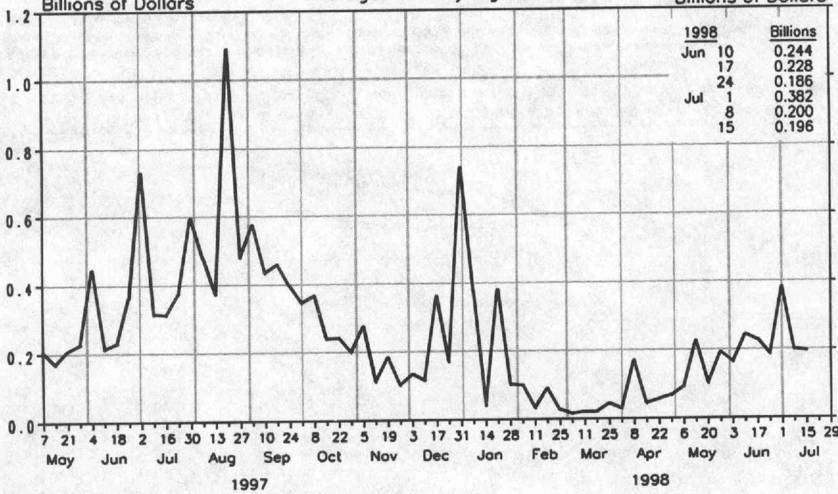
Total Borrowings

From Federal Reserve Banks
Averages of Daily Figures

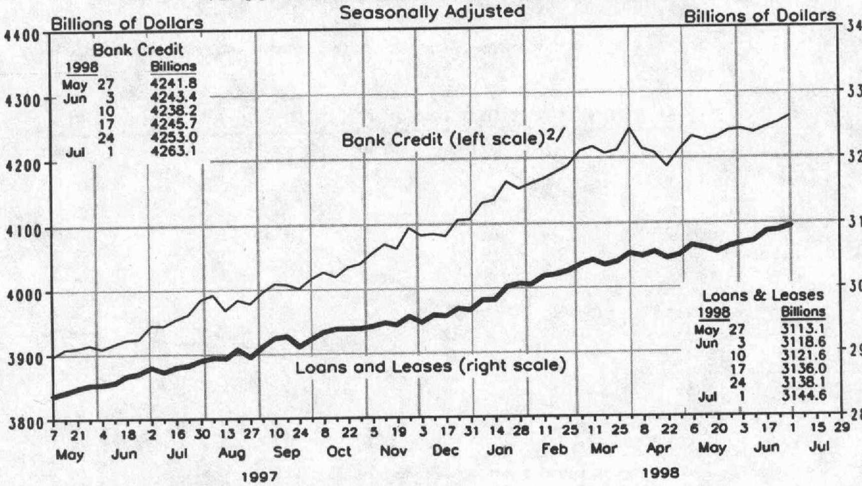


1998		Billions
Jun	10	0.244
	17	0.228
	24	0.186
Jul	1	0.382
	8	0.200
	15	0.196

Borrowings include seasonal, adjustment and extended credit.

Bank Loans and Credit

All Commercial Banks in the United States 1/
Seasonally Adjusted



Bank Credit

1998		Billions
May	27	4241.8
Jun	3	4243.4
	10	4238.2
	17	4245.7
	24	4253.0
Jul	1	4263.1

Loans & Leases

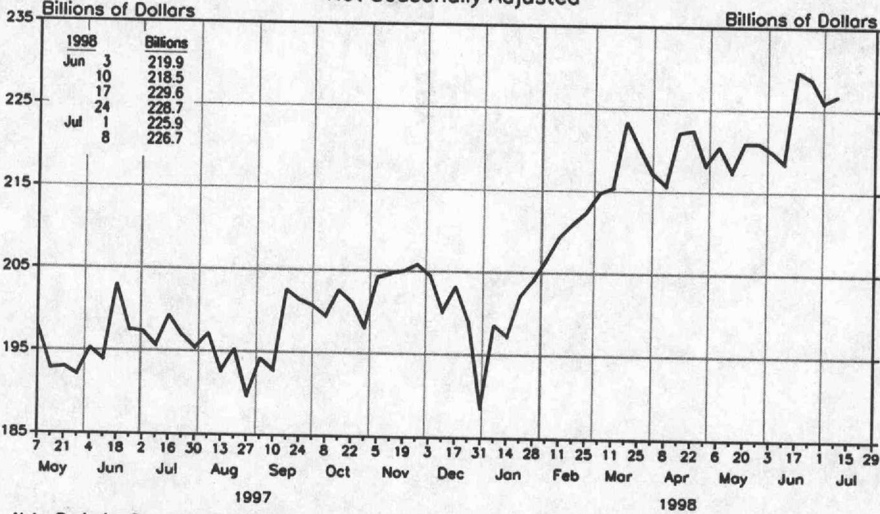
1998		Billions
May	27	3113.1
Jun	3	3118.6
	10	3121.6
	17	3136.0
	24	3138.1
Jul	1	3144.6

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

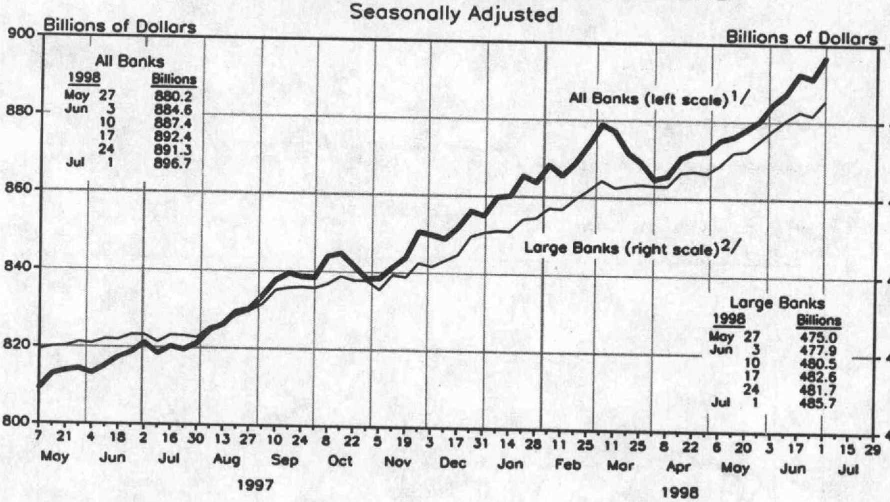
Not Seasonally Adjusted



Note: Beginning September 2, 1997, the value of commercial paper outstanding uses new source data. See the Federal Reserve Board's H.15 release for more information.

Commercial and Industrial Loans

Seasonally Adjusted



Current data appear in the Federal Reserve Board's H.8 release.
1/ Includes foreign-related institutions
2/ Weekly reporting, domestically chartered banks

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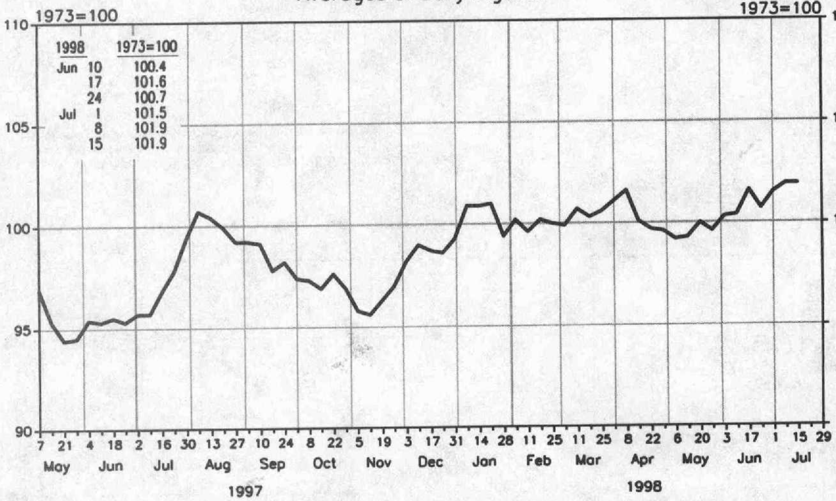
Dollar's Trade-Weighted Exchange Index

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.

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