

OCT 19 1998

THE WEEK'S HIGHLIGHTS:

- *The producer price index for finished goods (PPI) rose 0.3 percent in September, or 3.7 percent at an annual rate. September's increase was the largest in a year and followed a 4.5 percent rate of decline in August. For the third quarter, the PPI fell at a 0.2 percent rate, the fourth drop in the past six quarters.*
- *Following gains of \$0.5 billion in June and \$0.4 billion in July, manufacturing and trade (total business) inventories rose \$3.1 billion in August, or 0.3 percent. The value of business sales, however, fell 0.2 percent in August after falling 0.1 percent in July. Measured from a year earlier, business sales have increased 2.8 percent while inventories are up 3.7 percent. Business inventory and sales data is not adjusted for price changes.*
- *Retail sales rose 0.3 percent in September. But with sales showing virtually no change in August, and declining 0.7 percent in July, retail sales ended up falling slightly in the third quarter, 0.2 percent at an annual rate. Much of this weakness in the third quarter stemmed from a sharp decline in auto sales, as retail sales outside of autos rose at a 4 percent rate in the third quarter.*
- *The index of U.S. import prices fell 0.1 percent in September, or 1.3 percent at an annual rate. Import prices have yet to increase in 1998 and have risen only once since January 1997. Similarly, U.S. export prices fell 0.5 percent in September, matching the August drop and bringing the year-over-year decline to 4.1 percent.*

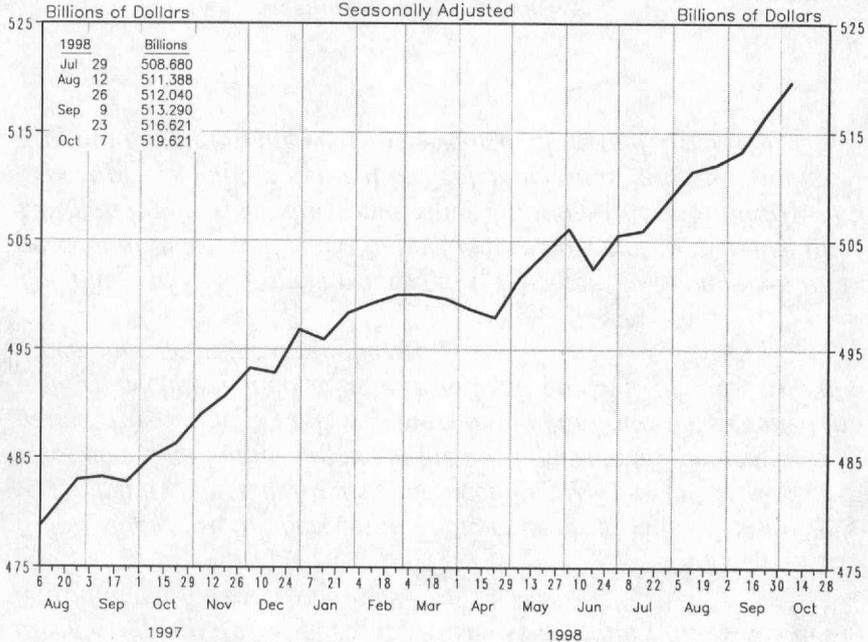
All data are seasonally adjusted unless otherwise indicated.

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

To the average of two maintenance periods ending:

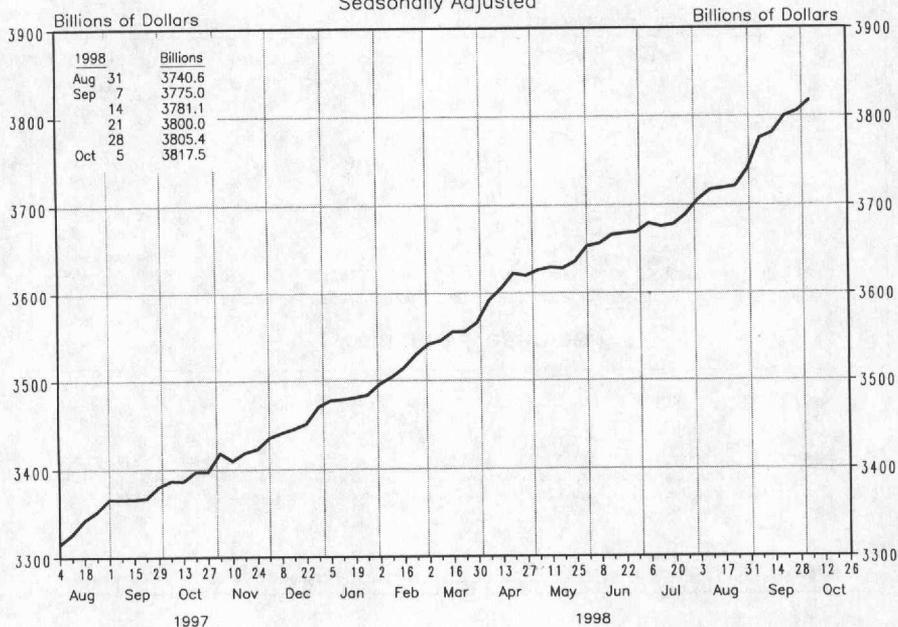
Compounded annual rates of change, average of two maintenance periods ending:

	10/8/97	12/31/97	3/11/98	4/8/98	5/6/98	6/3/98	7/1/98	8/12/98
3/11/98	8.1							
4/8/98	6.4	3.3						
5/6/98	5.7	2.9	-0.4					
6/3/98	6.7	4.9	4.3	7.8				
7/1/98	5.7	3.7	2.6	4.2	5.6			
8/12/98	6.4	5.0	4.8	6.4	7.9	5.3		
9/9/98	6.5	5.3	5.1	6.5	7.7	5.8	9.3	
10/7/98	7.1	6.2	6.3	7.7	8.9	7.7	10.8	10.8

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Money Zero Maturity (MZM)

Averages of Daily Figures
Seasonally Adjusted



MZM is M2 (seasonally adjusted) minus total small denomination time deposits (seasonally adjusted), plus institutional money funds (seasonally adjusted), which are included in the non-M2 component of M3.

Money Zero Maturity (MZM)

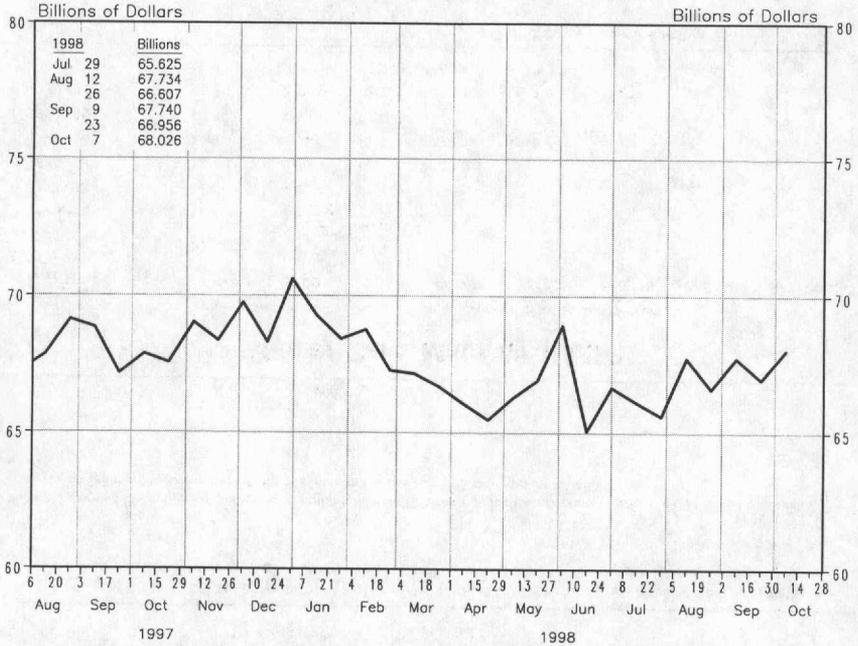
Compounded annual rates of change, average of four weeks ending:

To the average of four weeks ending:	10/6/97	1/5/98	3/2/98	4/6/98	5/4/98	6/8/98	7/6/98	8/3/98
3/2/98	11.2							
4/6/98	11.7	12.8						
5/4/98	12.8	14.6	16.8					
6/8/98	12.1	12.9	13.4	13.0				
7/6/98	11.9	12.5	12.6	12.1	8.6			
8/3/98	11.3	11.6	11.4	10.7	7.8	8.1		
9/7/98	11.7	12.2	12.2	11.8	9.9	10.9	11.3	
10/5/98	12.6	13.3	13.6	13.6	12.3	13.8	15.0	19.2

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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.

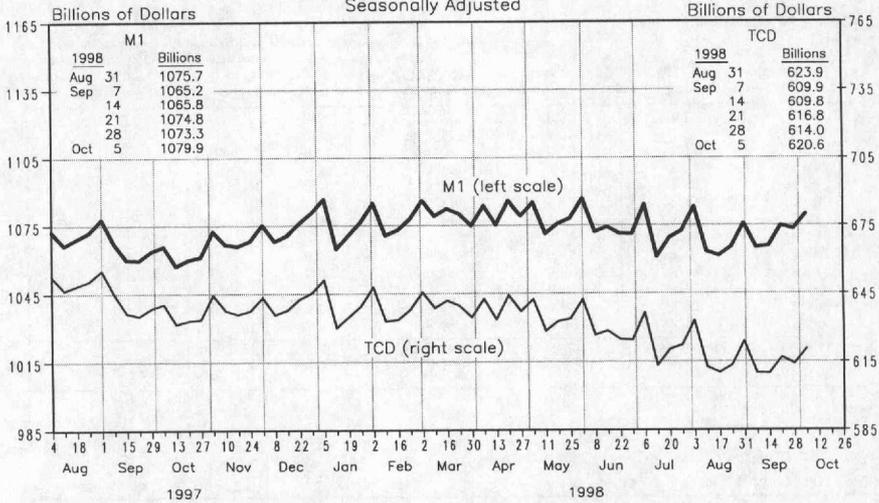
Adjusted Reserves

To the average of two maintenance periods ending:	Compounded annual rates of change, average of two maintenance periods ending:							
	10/8/97	12/31/97	3/11/98	4/8/98	5/6/98	6/3/98	7/1/98	8/12/98
3/11/98	-1.0							
4/8/98	-3.3	-15.5						
5/6/98	-4.1	-14.1	-12.2					
6/3/98	0.9	-5.1	4.6	16.1				
7/1/98	-3.3	-10.1	-6.4	-3.3	-0.2			
8/12/98	-1.5	-6.4	-1.9	1.3	4.5	-9.2		
9/9/98	-0.6	-4.7	-0.1	2.8	5.7	-4.0	10.7	
10/7/98	0.0	-3.7	0.7	3.4	5.9	-1.8	9.5	8.2

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Money Stock(M1) and Total Checkable Deposits

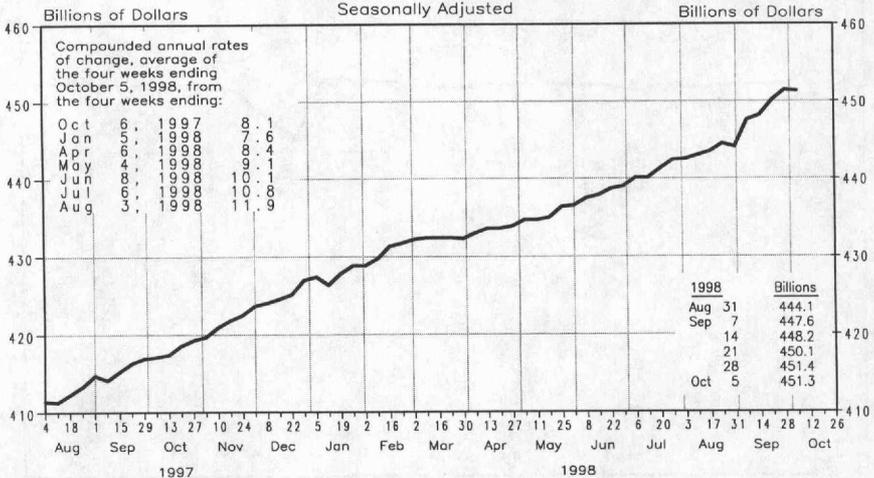
Averages of Daily Figures
Seasonally Adjusted



M1 is the sum of currency held by the nonbank public, total checkable deposits and travelers checks.
Total checkable deposits is the sum of demand deposits and other checkable deposits at depository institutions.

Currency Component of M1

Averages of Daily Figures
Seasonally Adjusted

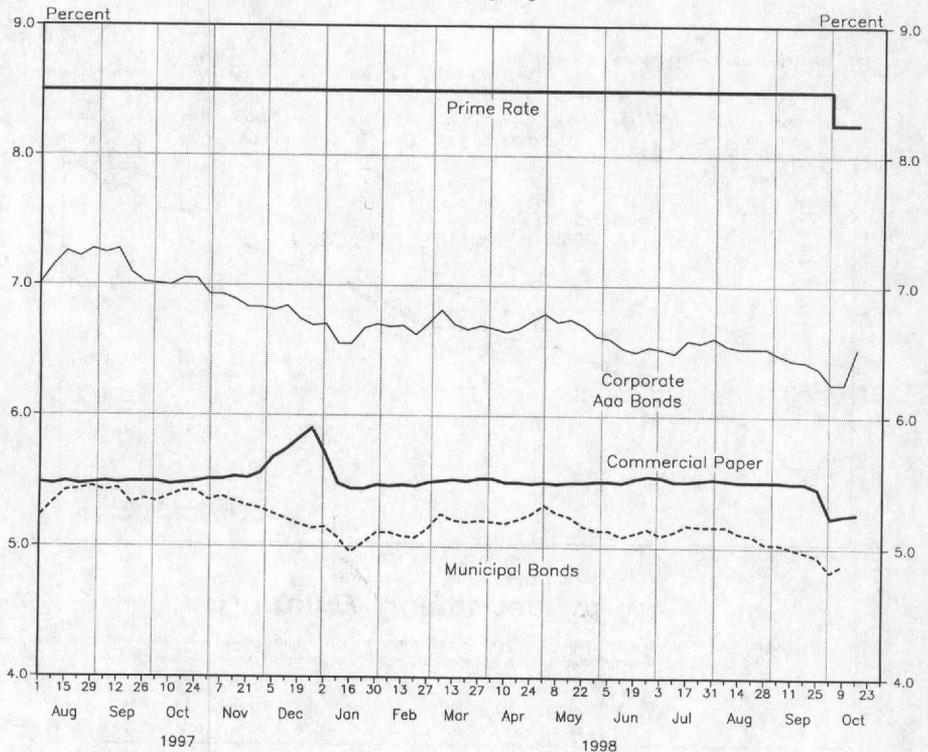


Current data appear in the Federal Reserve Board's H.6 release.

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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 **
Jul 24	5.51	5.59	5.49	6.56	7.15	5.16
31	5.52	5.60	5.49	6.60	7.20	5.16
Aug 7	5.51	5.59	5.50	6.54	7.15	5.16
14	5.50	5.58	5.49	6.52	7.14	5.11
21	5.50	5.58	5.49	6.52	7.14	5.09
28	5.50	5.57	5.49	6.52	7.15	5.03
Sep 4	5.50	5.52	5.47	6.47	7.12	5.03
11	5.49	5.46	5.47	6.43	7.08	5.00
18	5.49	5.42	5.38	6.42	7.10	4.97
25	5.45	5.37	5.34	6.37	7.07	4.94
Oct 2	5.23	5.22	5.19	6.25	7.01	4.82
9	5.25	5.29	5.20	6.25	7.05	4.88
16	5.26	5.30	5.20	6.52	7.31	N.A.

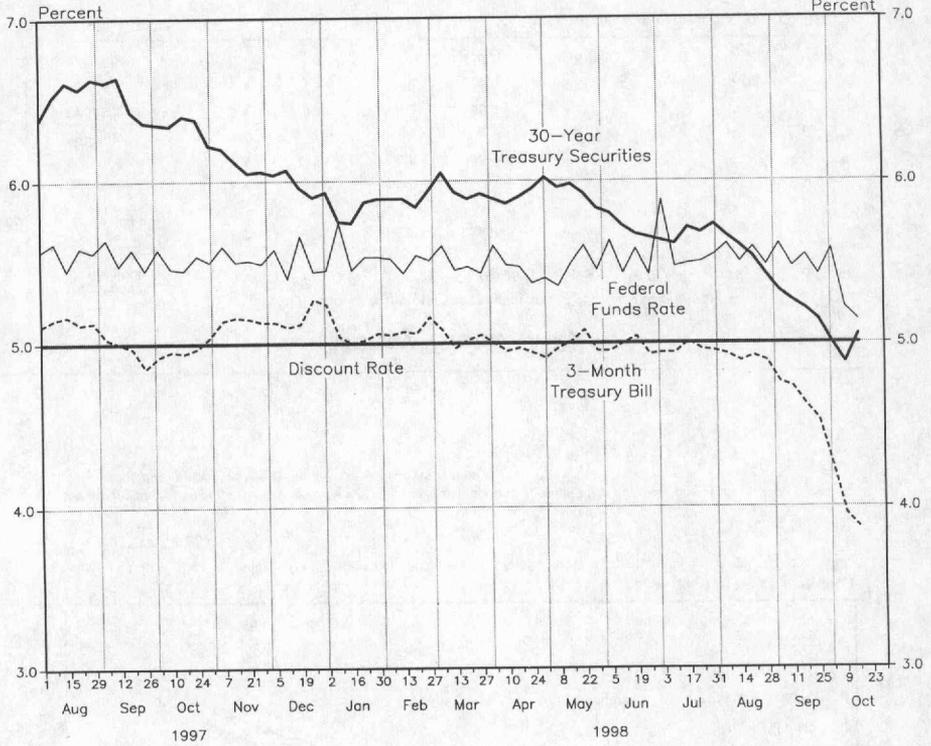
Current data are from the Federal Reserve Board's H.15 release, and are averages of rates available for the week ending on October 16, 1998. Beginning September 2, 1997, the commercial paper rate reflects new source data, which is currently available only back to the first of the year.

** 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
Jul 24	5.50	4.96	5.08	5.47	5.46	5.68
Jul 31	5.54	4.95	5.09	5.51	5.50	5.73
Aug 7	5.61	4.93	5.04	5.43	5.43	5.66
Aug 14	5.50	4.89	4.97	5.36	5.40	5.60
Aug 21	5.59	4.92	4.97	5.32	5.39	5.53
Aug 28	5.48	4.89	4.85	5.07	5.20	5.42
Sep 4	5.61	4.76	4.68	4.92	5.05	5.32
Sep 11	5.47	4.73	4.55	4.72	4.90	5.26
Sep 18	5.54	4.62	4.54	4.62	4.83	5.21
Sep 25	5.42	4.53	4.40	4.48	4.67	5.14
Oct 2	5.58	4.26	4.22	4.24	4.46	5.00
Oct 9	5.22	3.96	4.01	4.18	4.41	4.88
Oct 16 *	5.14	3.87	4.03	4.30	4.66	5.05

Current data appear in the Federal Reserve Board's H.15 release.

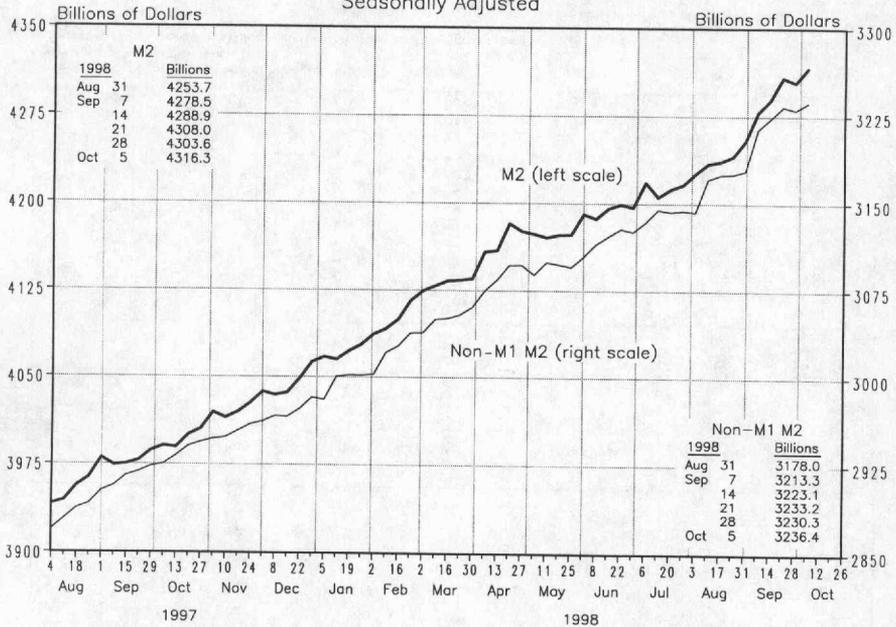
* Averages of rates available

** 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)

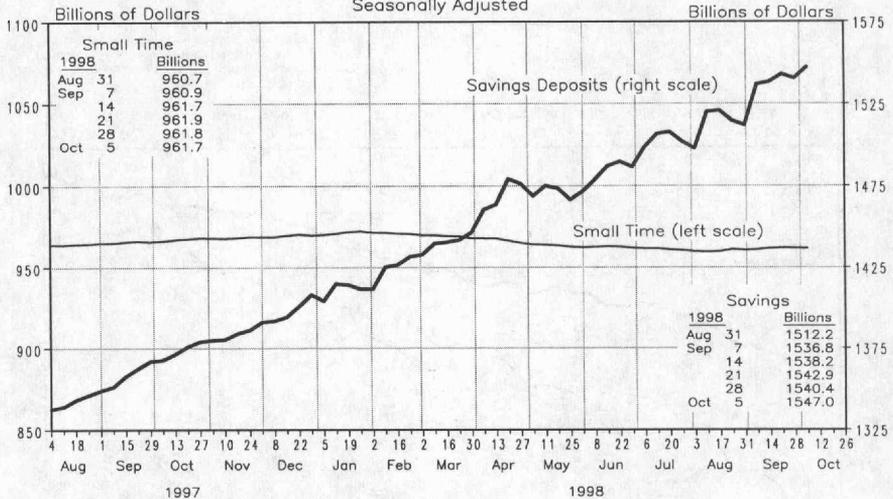
Compounded annual rates of change, average of four weeks ending:

To the average of four weeks ending:	10/6/97	1/5/98	3/2/98	4/6/98	5/4/98	6/8/98	7/6/98	8/3/98
3/2/98	8.0							
4/6/98	8.1	8.8						
5/4/98	8.4	9.3	9.5					
6/8/98	7.5	7.6	6.8	5.9				
7/6/98	7.4	7.5	6.8	6.2	4.2			
8/3/98	7.1	7.0	6.3	5.6	4.1	5.4		
9/7/98	7.4	7.4	6.9	6.5	5.6	7.0	7.0	
10/5/98	8.1	8.3	8.1	8.1	7.6	9.3	10.0	12.9

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Savings and Small Time Deposits

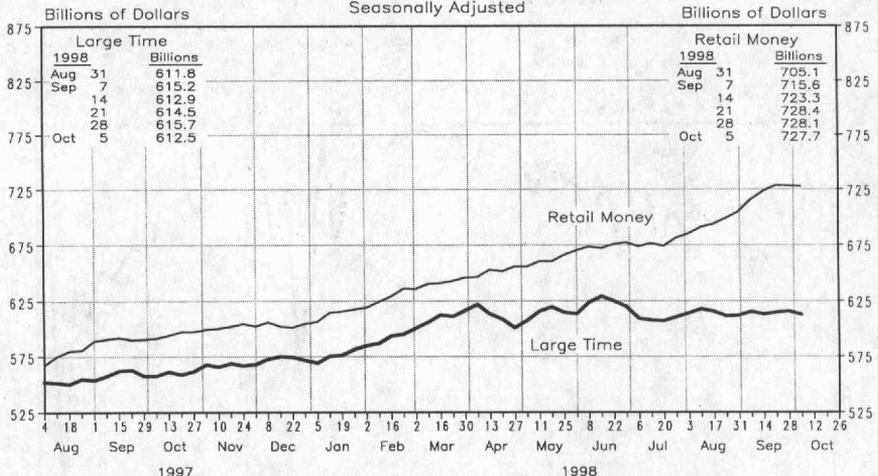
Averages of Daily Figures
Seasonally Adjusted



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

Large Time Deposits and Retail Money Funds

Averages of Daily Figures
Seasonally Adjusted

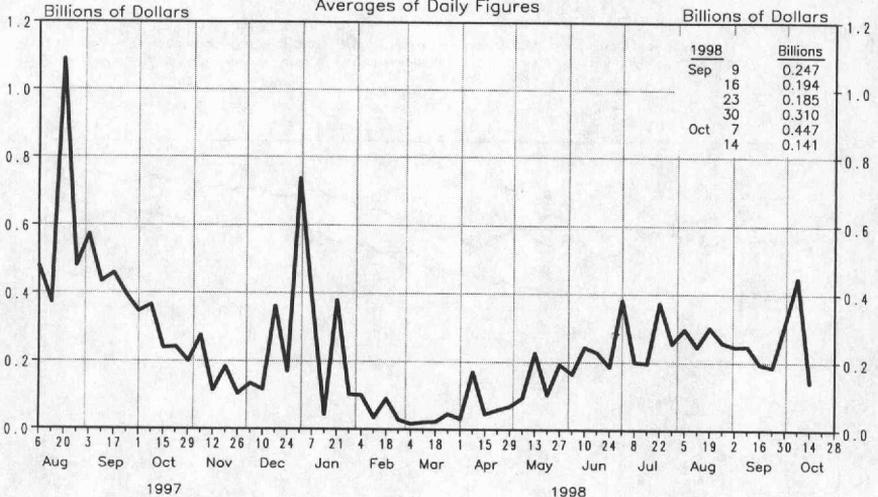


Large time deposits and retail money funds are at all depository institutions. Large time deposits are those issued in denominations of \$100,000 or more. Retail money funds were originally called general purpose and broker/dealer money market funds.

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Total Borrowings

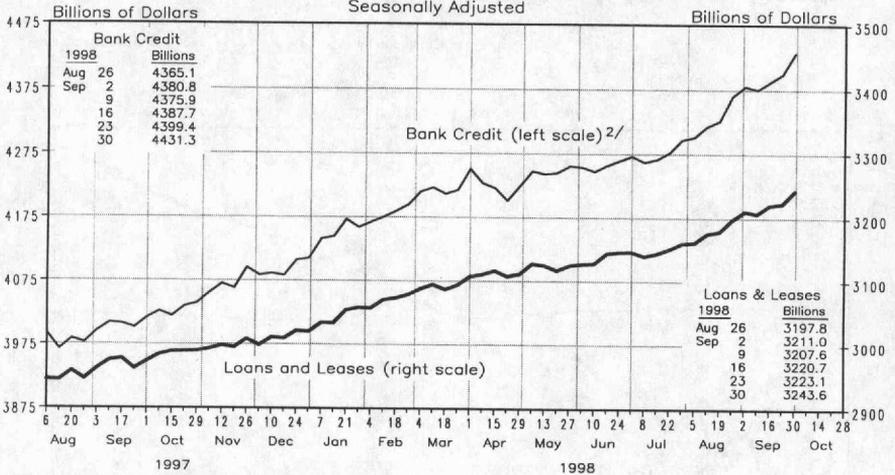
From Federal Reserve Banks
Averages of Daily Figures



Borrowings include seasonal, adjustment and extended credit.

Bank Loans and Credit

All Commercial Banks in the United States ^{1/}
Seasonally Adjusted



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

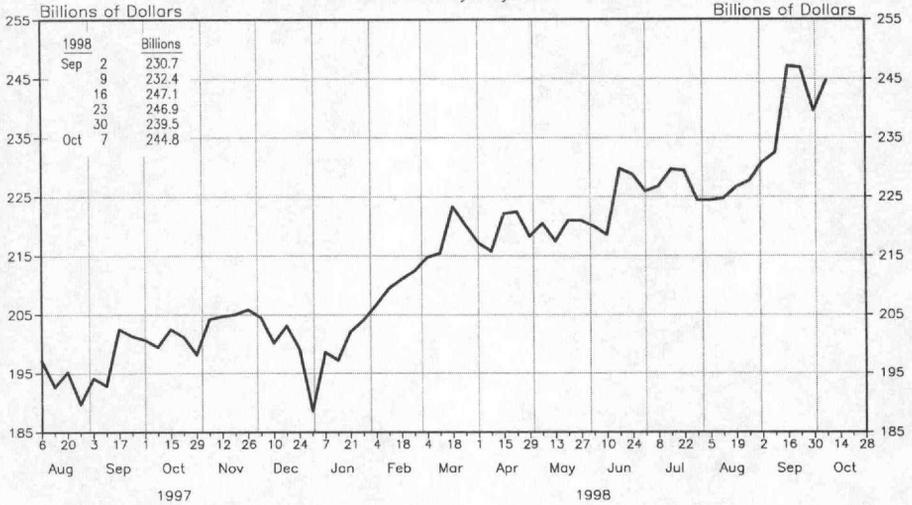
^{1/} Includes foreign-related institutions

^{2/} Includes loans and leases and securities

Prepared by Federal Reserve Bank of St. Louis

Commercial Paper of Nonfinancial Companies

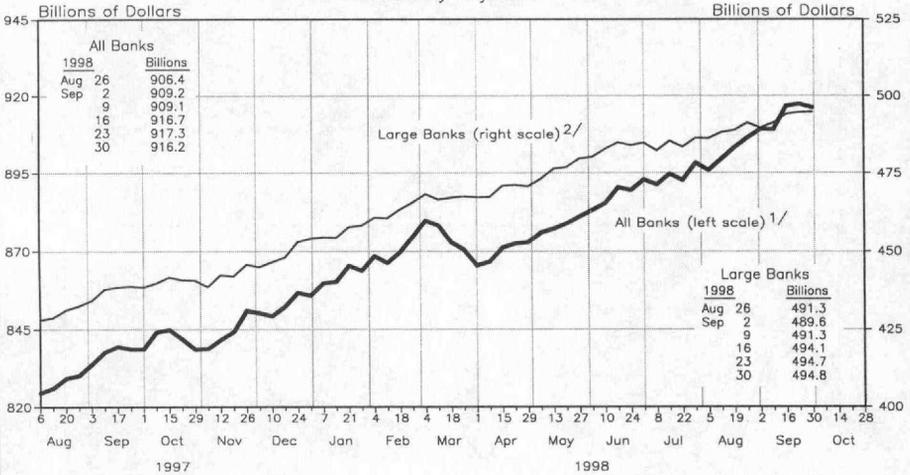
Not Seasonally Adjusted



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.

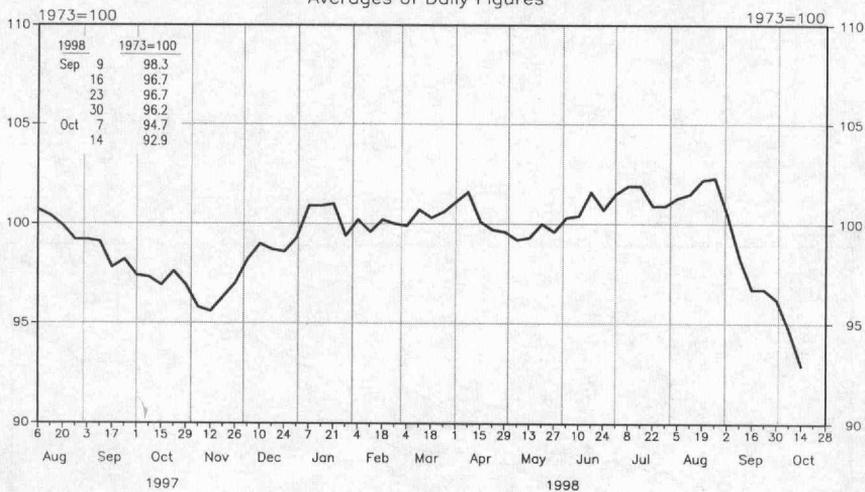
1/ Includes foreign-related institutions

2/ Weekly reporting, domestically chartered banks

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.

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9 LIBRARY