November 19, 1998

USFinancialData

THE FEDERAL RESERVE BANK of ST. LOUIS

THE WEEK'S HIGHLIGHTS:

- *On Nov. 17, the Federal Reserve Board of Governors approved a reduction in the discount rate from 4.75 percent to 4.5 percent. At the same time, the Federal Open Market Committee announced that it was reducing the target for the federal funds rate from around 5 percent to around 4.75 percent. In taking this action the Federal Reserve noted the following:*

  Although conditions in financial markets have settled down materially since mid-October, unusual strains remain. With the 75 basis point decline in the federal funds rate since September, financial conditions can reasonably be expected to be consistent with fostering sustained economic expansion while keeping inflationary pressures subdued.

- *A \$1.7 billion rise in exports combined with a \$0.2 billion drop in imports caused the U.S. goods and services trade deficit to narrow from \$15.9 billion in August to \$14 billion in September. After increasing \$8.6 billion in the second quarter, the trade deficit only increased \$0.9 billion in the third quarter.*

- *The consumer price index (CPI-U) increased 0.2 percent in October after exhibiting no change in September. The CPI has increased at a 1.6 percent rate over the first 10 months of the year, nearly the same as the 1.7 percent increase seen in 1997.*

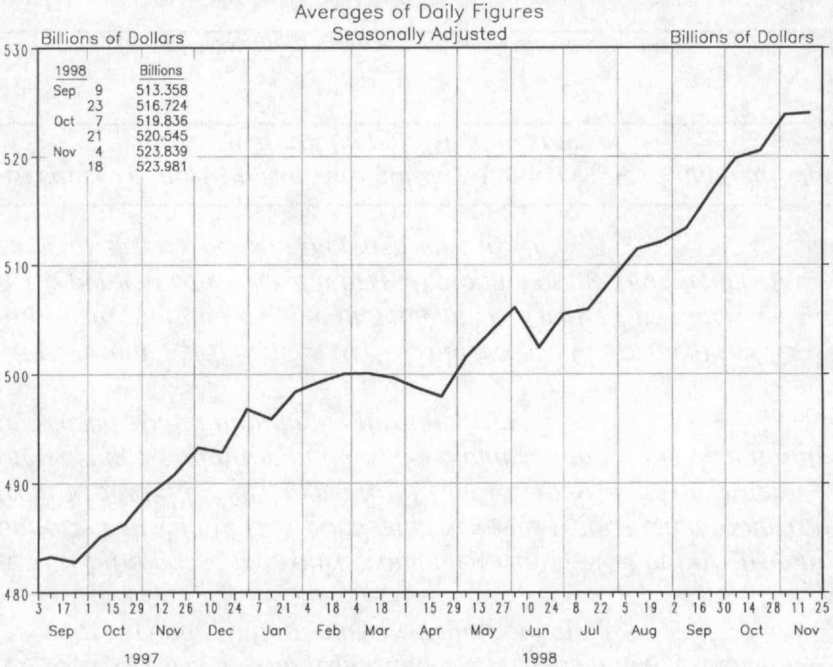
Because of the Thanksgiving holiday, United States Financial Data will not be published next week.

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.

Information in this publication is also included in the Federal Reserve Economic Data (FRED) electronic bulletin board at (314) 621-1824 or internet World Wide Web server at www.stls.frb.org/fred.

Adjusted Monetary Base



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: 11/19/97	2/11/98	4/22/98	5/20/98	6/17/98	7/15/98	8/12/98	9/23/98
4/22/98	4.1							
5/20/98	5.3	2.9						
6/17/98	5.2	3.2	8.0					
7/15/98	5.0	3.3	6.6	4.0				
8/12/98	5.7	4.6	7.9	6.5	7.7			
9/23/98	6.1	5.3	8.1	7.3	8.2	10.0		
10/21/98	6.7	6.3	9.0	8.4	9.4	11.0	10.7	
11/18/98	7.0	6.6	9.1	8.6	9.5	10.7	10.4	11.7

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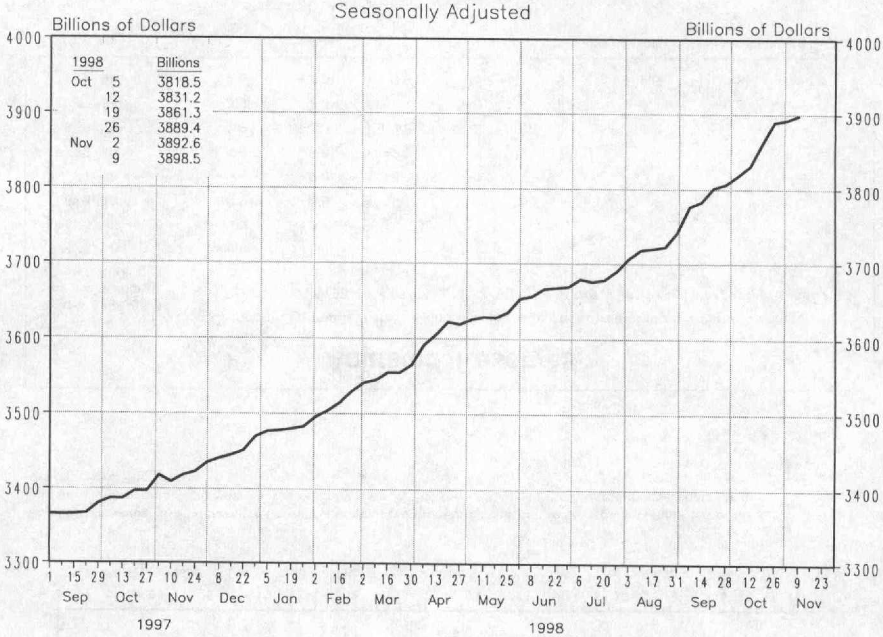
Money Zero Maturity (MZM)

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:	11/10/97	2/9/98	4/6/98	5/11/98	6/8/98	7/6/98	8/10/98	9/7/98
4/6/98	12.1							
5/11/98	13.3	16.2						
6/8/98	12.4	14.0	13.0					
7/6/98	12.1	13.2	12.1	8.6				
8/10/98	11.6	12.2	11.0	8.4	9.0			
9/7/98	12.0	12.7	11.9	10.1	11.1	11.5		
10/12/98	13.1	14.1	13.8	12.8	14.2	15.4	19.6	
11/9/98	14.1	15.3	15.4	14.9	16.4	17.9	21.9	24.6

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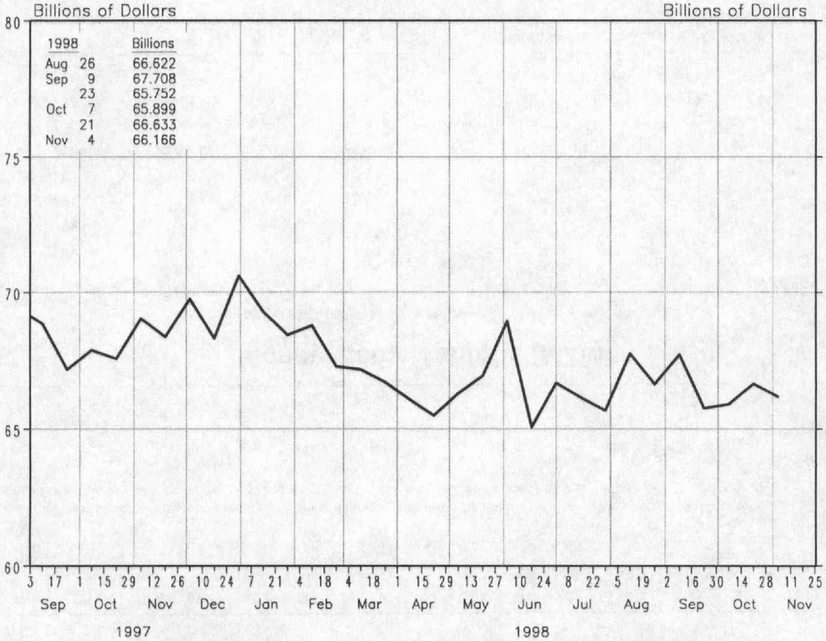
Adjusted Reserves

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:	11/5/97	1/28/98	4/8/98	5/6/98	6/3/98	7/1/98	7/29/98	9/9/98
4/8/98	−6.5							
5/6/98	−6.9	−15.1						
6/3/98	−0.9	−3.8	16.1					
7/1/98	−5.4	−9.9	−3.3	−0.2				
7/29/98	−4.8	−8.4	−2.3	0.1	−17.8			
9/9/98	−1.9	−3.9	2.8	5.7	−4.1	10.7		
10/7/98	−3.9	−6.3	−1.7	−0.2	−8.7	−0.2	−0.6	
11/4/98	−2.8	−4.6	0.0	1.6	−5.2	2.3	2.8	−7.2

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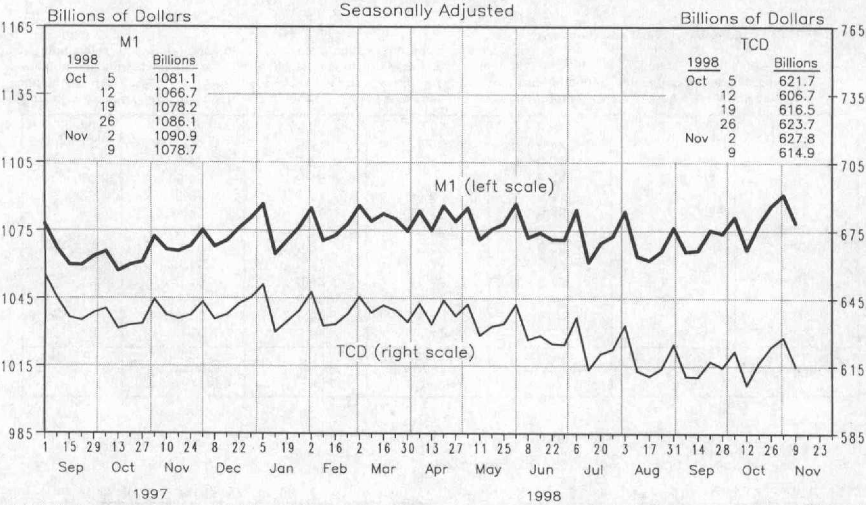
Money Stock(M1) and Total Checkable Deposits

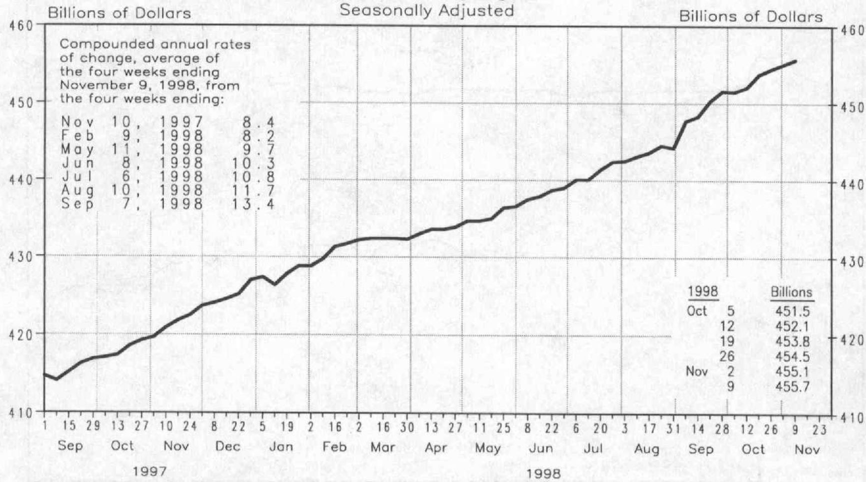
Averages of Daily Figures
Seasonally Adjusted



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

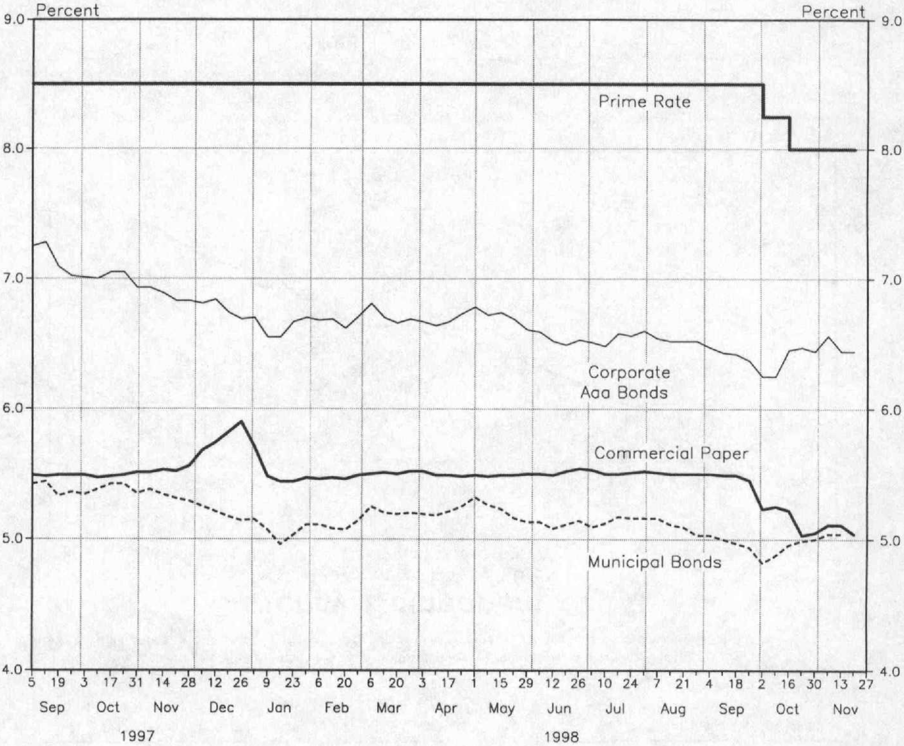


Current data appear in the Federal Reserve Board's H.6 release.

Prepared by Federal Reserve Bank of St. Louis

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 **
Aug 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	5.22	5.26	5.17	6.45	7.25	4.96
23	5.03	5.14	5.03	6.47	7.28	4.99
30	5.05	5.16	5.07	6.44	7.26	5.00
Nov 6	5.11	5.27	5.13	6.56	7.42	5.04
13	5.11	5.31	5.20	6.44	7.34	5.04
20	5.04	5.25	5.23	6.44	7.37	N.A.

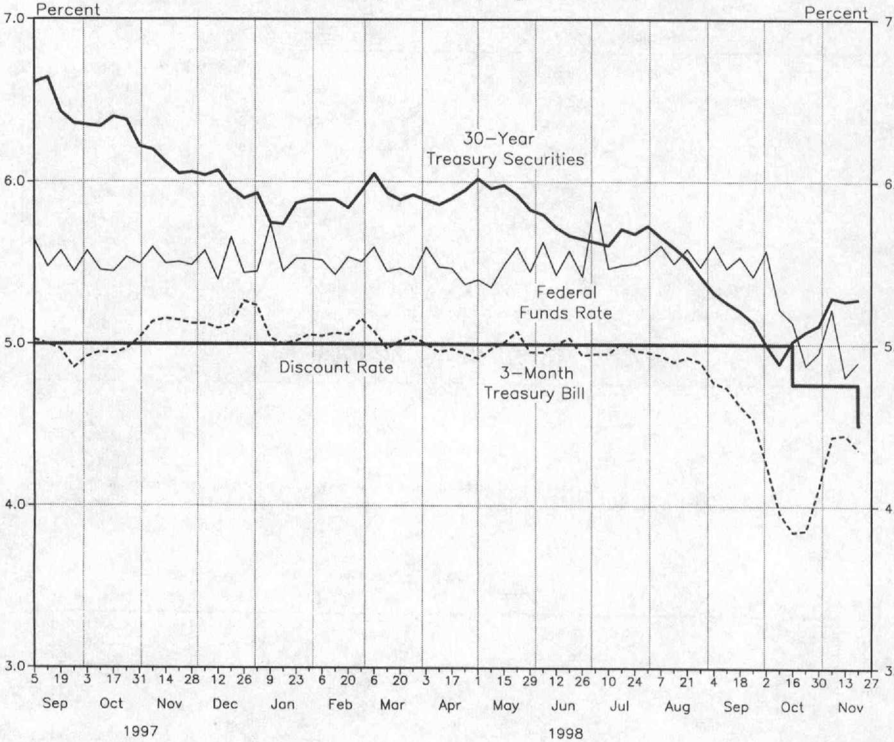
Current data are from the Federal Reserve Board's H.15 release, and are averages of rates available for the week ending on November 20, 1998. Beginning September 2, 1997, the commercial paper rate reflects new source data, which is currently available only back to the first of the year.

** 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



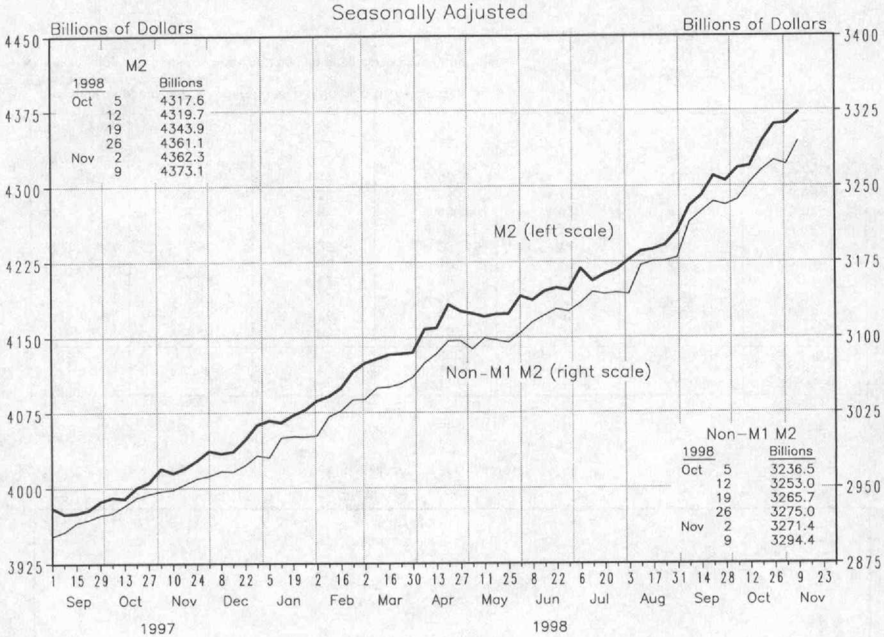
1998	Federal Funds **	3–Month Treasury Bill	1–Year Treasury Bill	5–Year Treasury Securities	10–Year Treasury Securities	30–Year Treasury Securities
Aug 28	5.48	4.89	4.85	5.07	5.20	5.42
Sep 4	5.61	4.76	4.68	4.92	5.05	5.32
11	5.47	4.73	4.55	4.72	4.90	5.26
18	5.54	4.62	4.54	4.62	4.83	5.21
25	5.42	4.53	4.40	4.48	4.67	5.14
Oct 2	5.58	4.26	4.22	4.24	4.46	5.00
9	5.22	3.96	4.01	4.18	4.41	4.88
16	5.14	3.84	3.96	4.22	4.58	5.02
23	4.87	3.85	3.84	4.17	4.59	5.08
30	4.95	4.12	3.93	4.22	4.63	5.12
Nov 6	5.22	4.43	4.27	4.45	4.83	5.29
13	4.80	4.44	4.35	4.51	4.82	5.27
20 *	4.89	4.35	4.32	4.57	4.86	5.28

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)

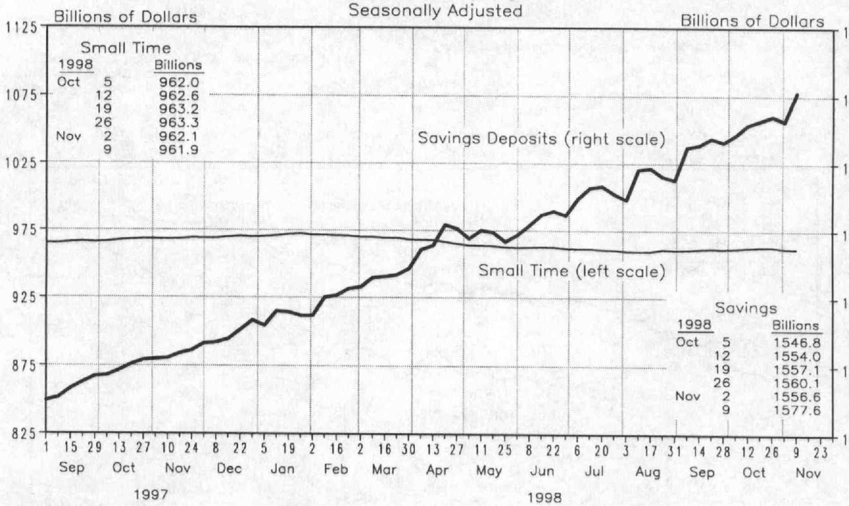
Compounded annual rates of change, average of four weeks ending:

To the average of four weeks ending:	11/10/97	2/9/98	4/6/98	5/11/98	6/8/98	7/6/98	8/10/98	9/7/98
4/6/98	8.2							
5/11/98	8.4	9.5						
6/8/98	7.5	7.6	5.9					
7/6/98	7.4	7.5	6.2	4.3				
8/10/98	7.1	7.0	5.9	4.6	5.9			
9/7/98	7.4	7.4	6.6	5.8	7.1	7.2		
10/12/98	8.2	8.5	8.2	8.0	9.4	10.1	13.0	
11/9/98	8.7	9.2	9.1	9.0	10.4	11.2	13.7	15.4

Prepared by Federal Reserve Bank of St. Louis

Savings and Small Time Deposits

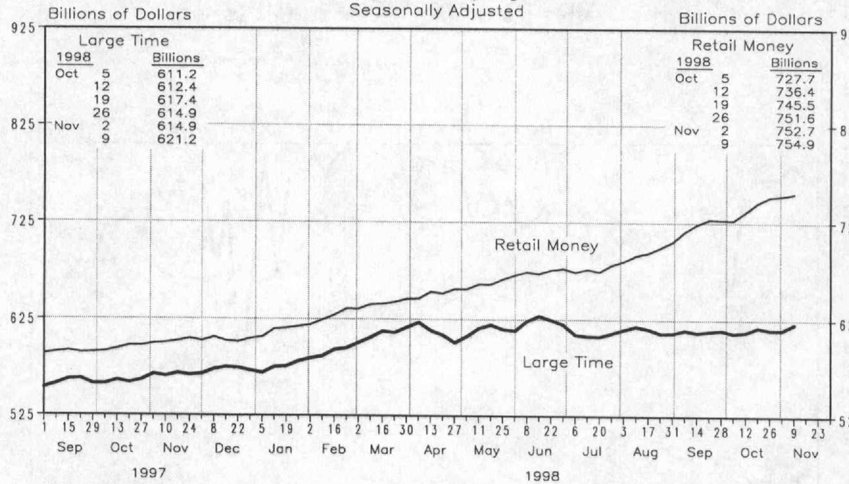
Averages of Daily Figures
Seasonally Adjusted



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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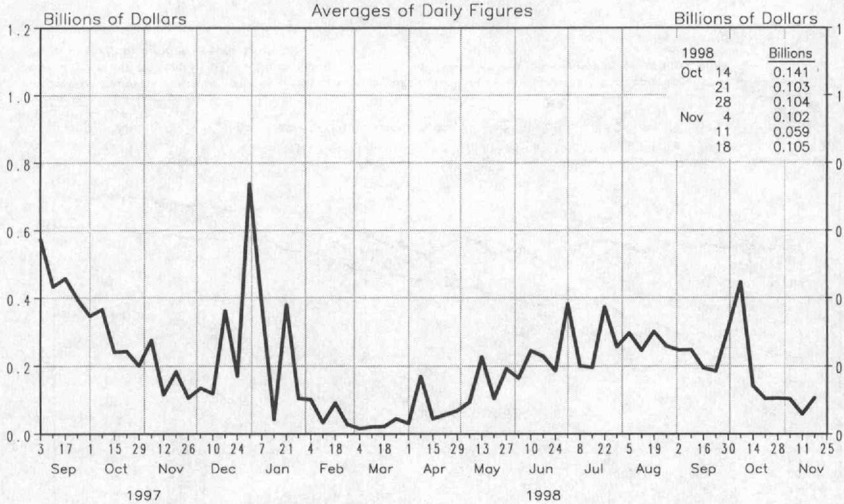
Total Borrowings

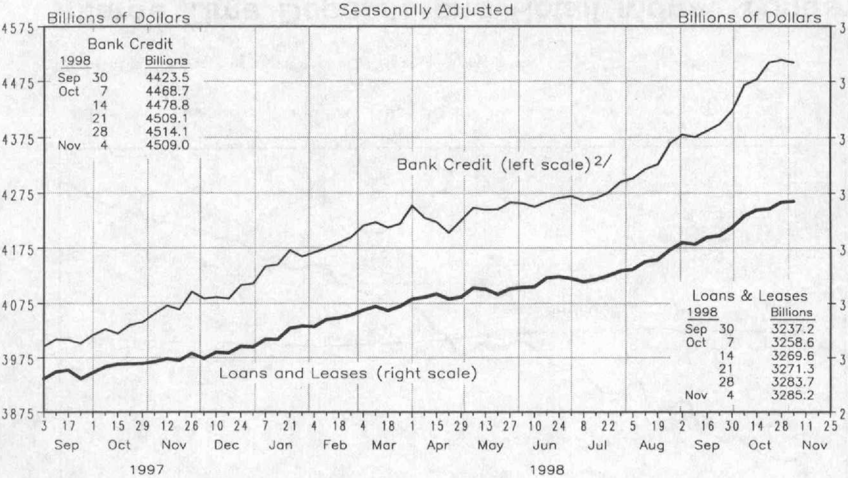
From Federal Reserve Banks
Averages of Daily Figures



Borrowings include seasonal, adjustment and extended credit.

Bank Loans and Credit

All Commercial Banks in the United States 1/
Seasonally Adjusted

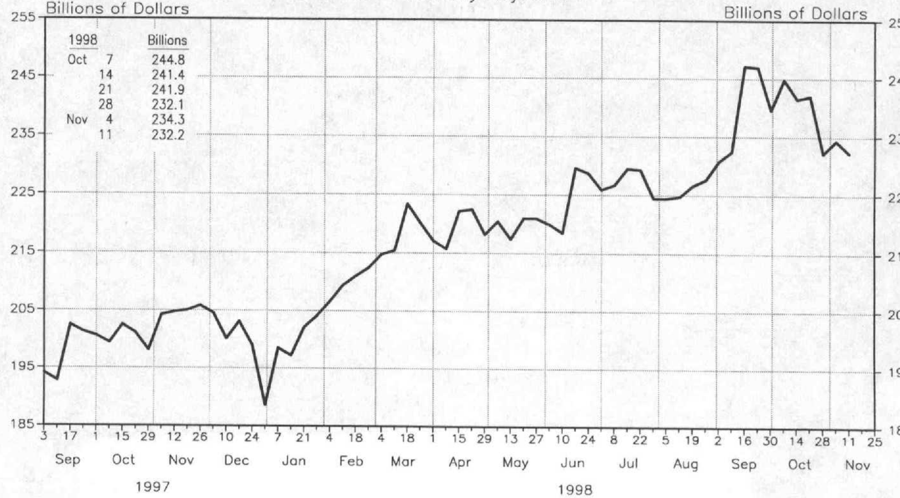


Current data appear in the Federal Reserve Board's H.8 release.
1/ Includes foreign-related institutions
2/ Includes loans and leases and securities

Prepared by Federal Reserve Bank of St. Louis

Commercial Paper of Nonfinancial Companies

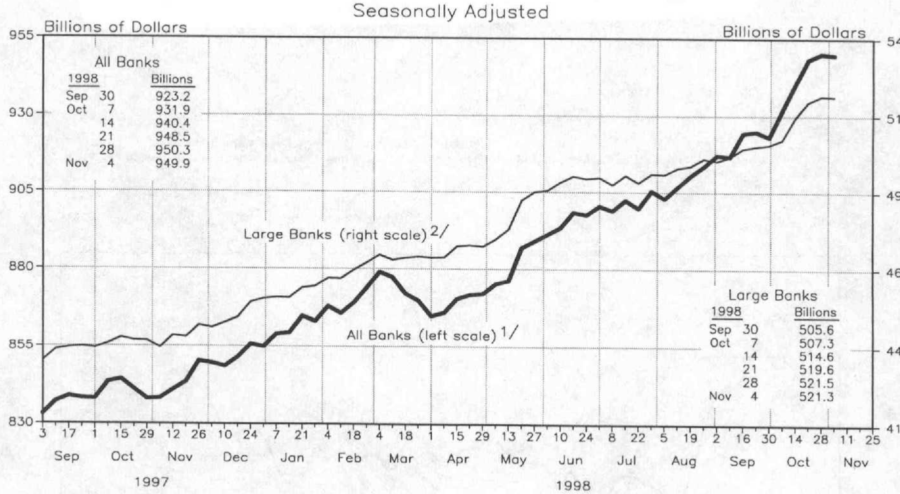
Not Seasonally Adjusted



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

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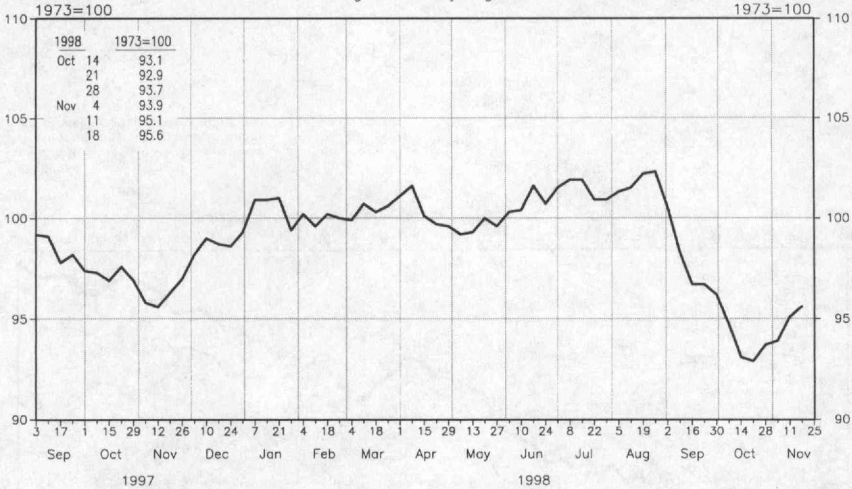
Dollar's Trade – Weighted Exchange Index

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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