

US Financial Data

THE WEEK'S HIGHLIGHTS:

The Federal Reserve System has anticipated a sharp upswing toward the end of the year in the demand for currency. Although currency demand usually picks up appreciably during the Christmas season, this year's increase is expected to be greater than usual because of the so-called "Y2K effect." Because the Fed has agreed to meet this increased demand, growth of the monetary base—what the textbooks refer to as "high-powered" money—and the M1 monetary aggregate will accelerate. The process works as follows.

An increase in currency supplied to depository institutions (DIs) increases their vault cash, and thus both adjusted reserves and the adjusted monetary base (AMB). Growth of total vault cash at DIs has accelerated dramatically recently, up 17.7 percent in November from a year earlier based on preliminary data (versus 0.5 percent growth between November 1997 and November 1998). This development helps to explain why AMB growth has accelerated since August (see Page 2). Little of this new vault cash is being used to satisfy reserve requirements; most of it is "surplus."

To date, growth of currency outside of DIs has accelerated modestly: After increasing 8.4 percent between November 1997 and November 1998, currency has grown 10.4 percent for the average of the four weeks ending on Nov. 22 from the same period a year earlier (see Page 5). The growth rates of M1 and M2 have not accelerated like the AMB's rate. But if the public becomes very hungry for currency later this month, then M1 and M2 growth will increase sharply. Regardless, this phenomenon is expected to be temporary, with no lasting consequences for money growth, and hence inflation.

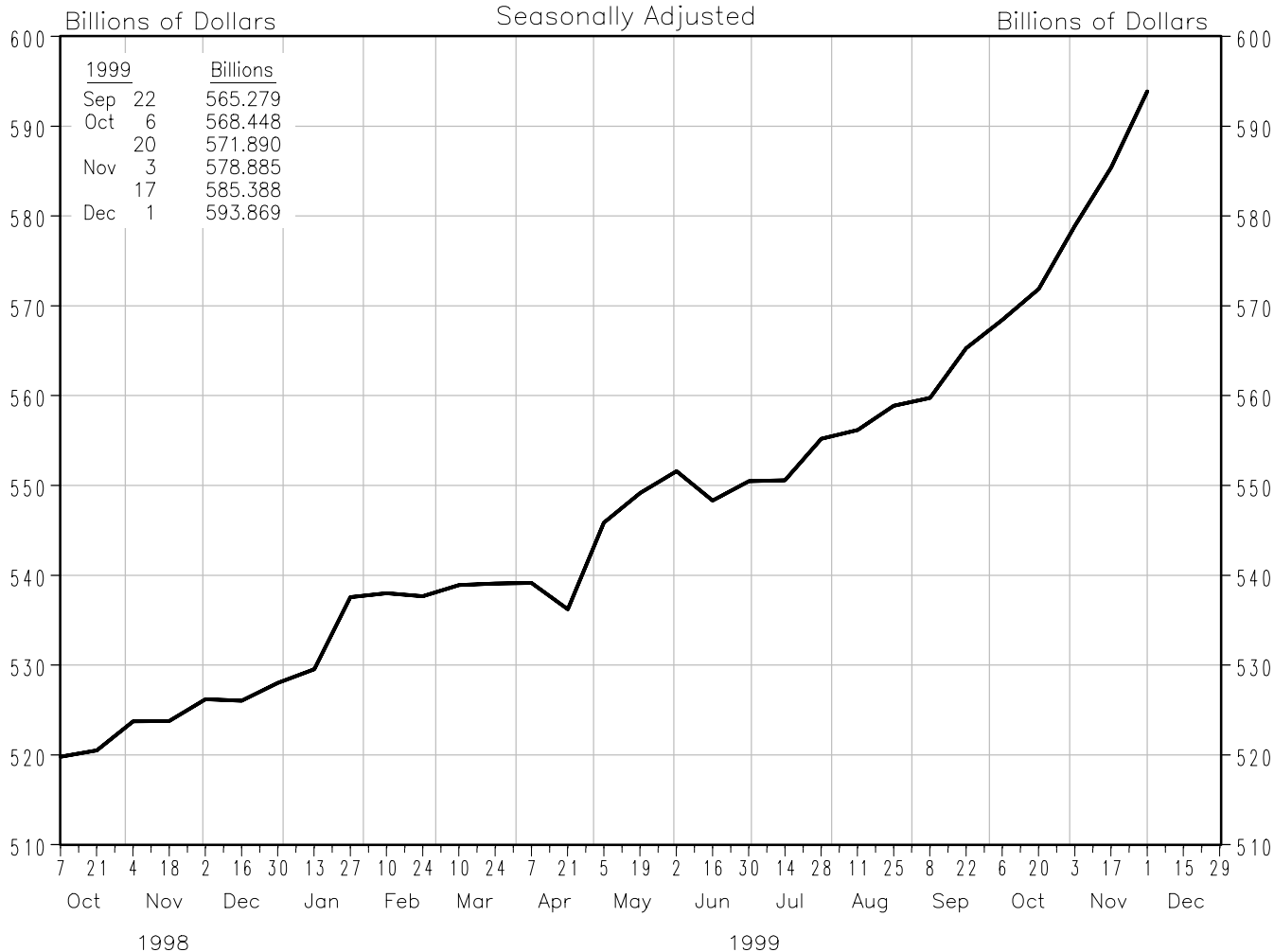
All data are seasonally adjusted unless otherwise indicated.

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



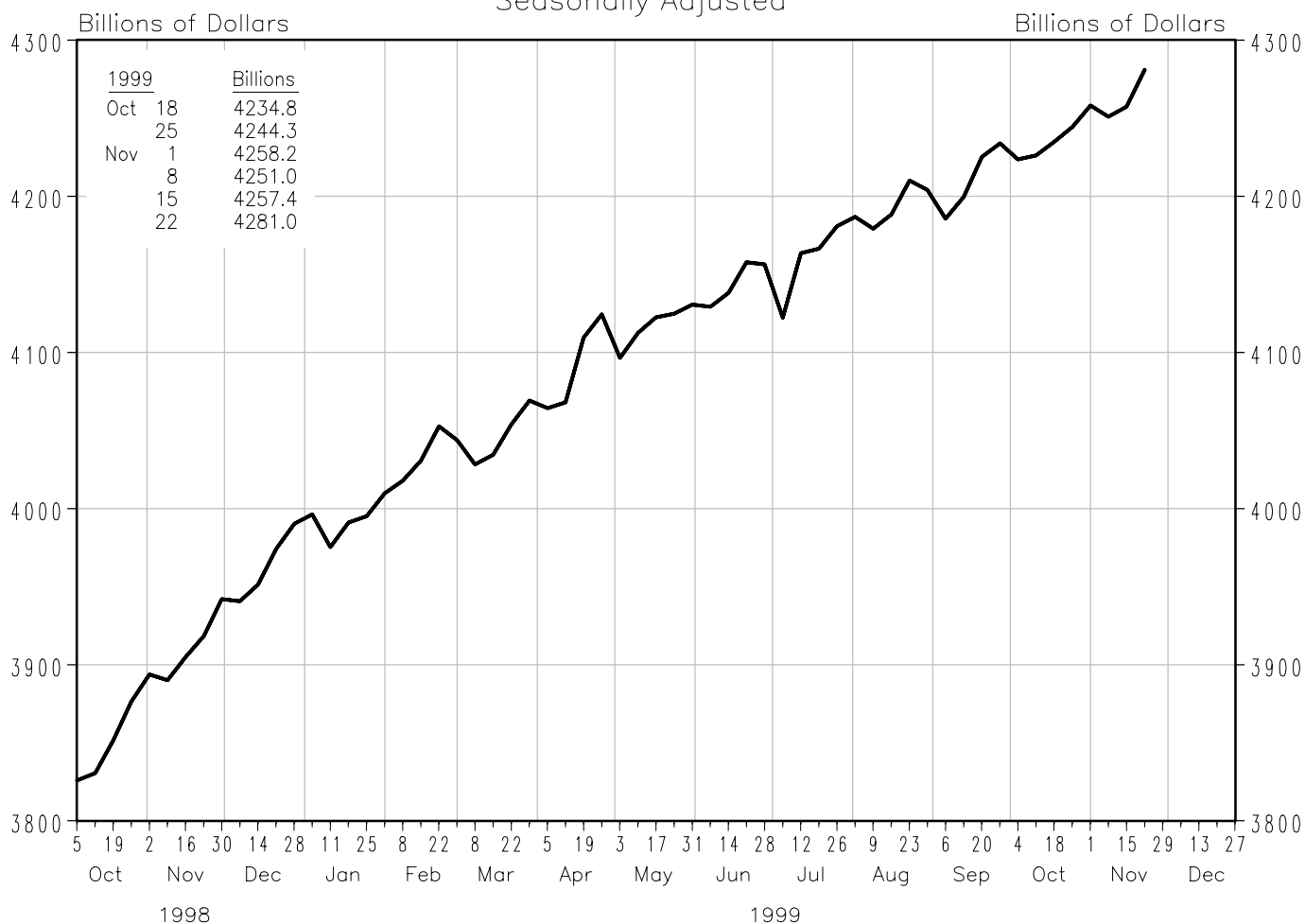
The adjusted monetary base is the sum of Federal Reserve deposits and vault cash held by domestic depository institutions, currency held by the public, and an adjustment for the effect of changes in reserve requirement ratios. The monetary base series includes Federal Reserve deposits used to satisfy 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:								
	12/2/98	2/24/99	5/5/99	6/2/99	6/30/99	7/28/99	8/25/99	10/6/99	
5/5/99	7.4								
6/2/99	9.9	8.9							
6/30/99	8.2	6.3	10.5						
7/28/99	8.2	6.7	9.8	3.0					
8/25/99	8.6	7.5	10.3	5.8	10.0				
10/6/99	9.5	8.9	11.7	8.9	12.3	13.9			
11/3/99	10.4	10.2	13.1	11.1	14.3	16.0	17.8		
12/1/99	12.3	12.7	16.1	14.8	18.2	20.4	23.1	29.2	

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:

	11/23/98	2/22/99	4/19/99	5/24/99	6/21/99	7/19/99	8/23/99	9/20/99
4/19/99	11.5							
5/24/99	11.2	8.9						
6/21/99	10.8	8.7	9.0					
7/19/99	10.0	7.8	7.5	6.2				
8/23/99	10.0	8.3	8.2	7.7	7.5			
9/20/99	9.4	7.7	7.5	6.8	6.4	7.4		
10/25/99	9.2	7.6	7.4	6.9	6.7	7.4	5.8	
11/22/99	9.2	7.8	7.7	7.3	7.2	7.8	6.9	8.3

Adjusted Reserves

Seasonally Adjusted



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

Adjusted Reserves

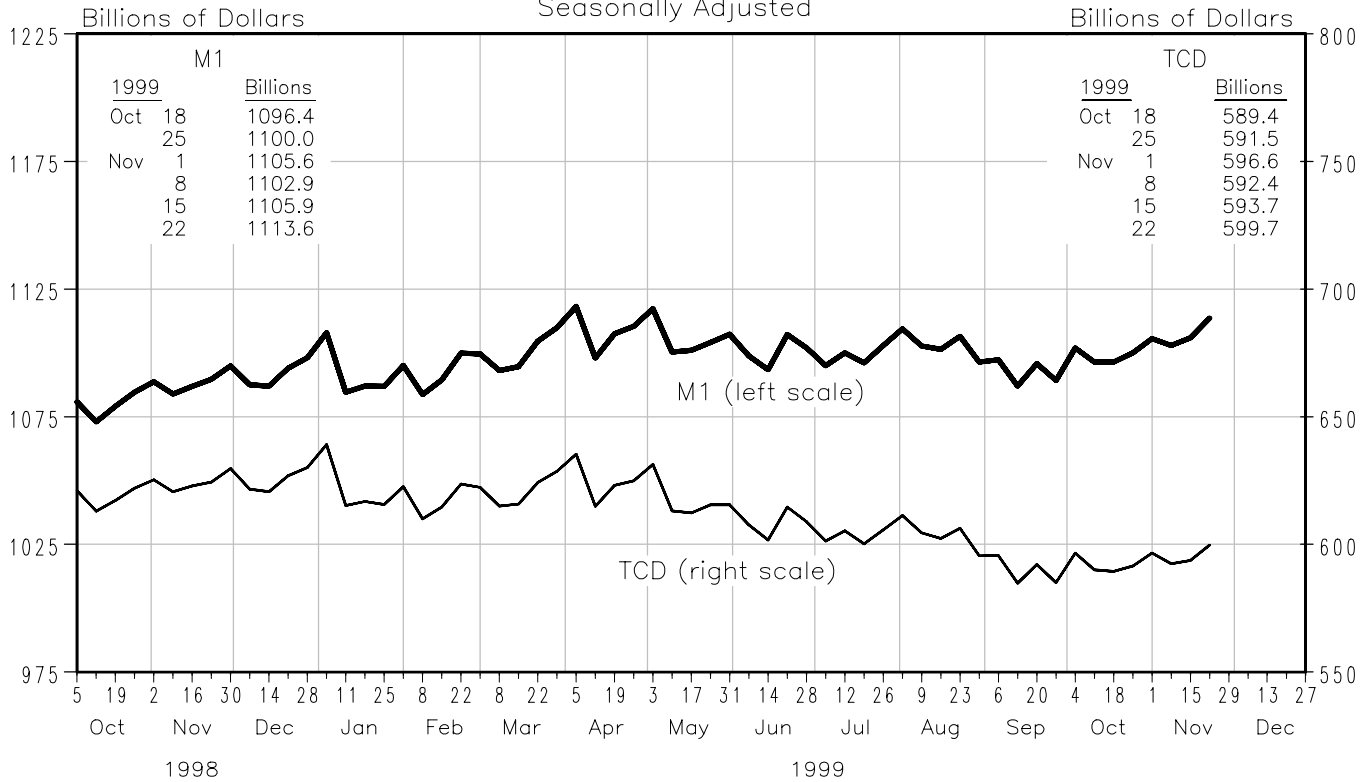
Compounded annual rates of change, average of two maintenance periods ending:

To the average of two maintenance periods ending:

	11/18/98	2/10/99	4/21/99	5/19/99	6/16/99	7/14/99	8/11/99	9/22/99
4/21/99	-11.8							
5/19/99	3.3	-12.1						
6/16/99	1.9	-11.1	51.3					
7/14/99	-1.8	-13.8	19.7	-16.6				
8/11/99	0.1	-9.6	19.0	-6.6	-6.4			
9/22/99	3.7	-3.3	21.8	4.2	7.7	24.5		
10/20/99	7.1	1.8	26.3	11.8	16.5	32.1	38.7	
11/17/99	16.7	14.3	43.2	31.7	40.4	61.4	77.0	123.4

Money Stock(M1) and Total Checkable Deposits

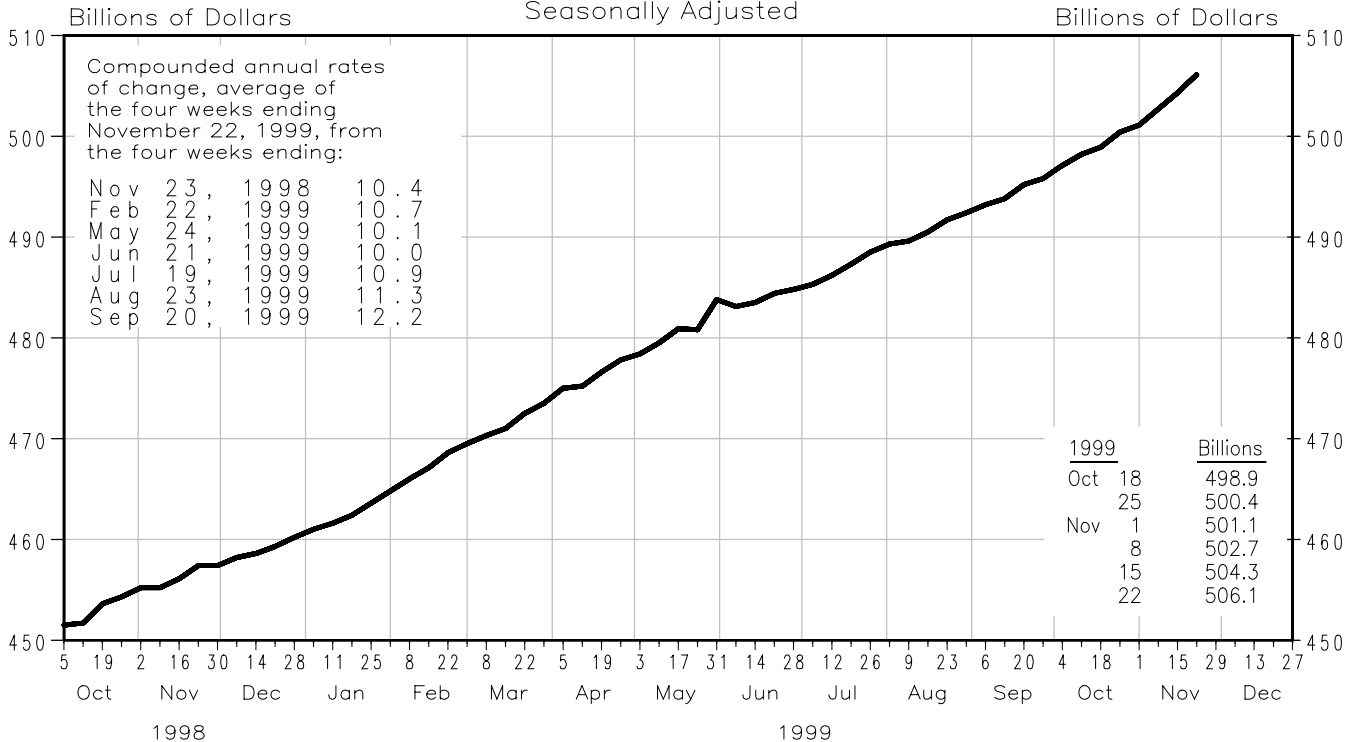
Averages of Daily Figures
Seasonally Adjusted



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

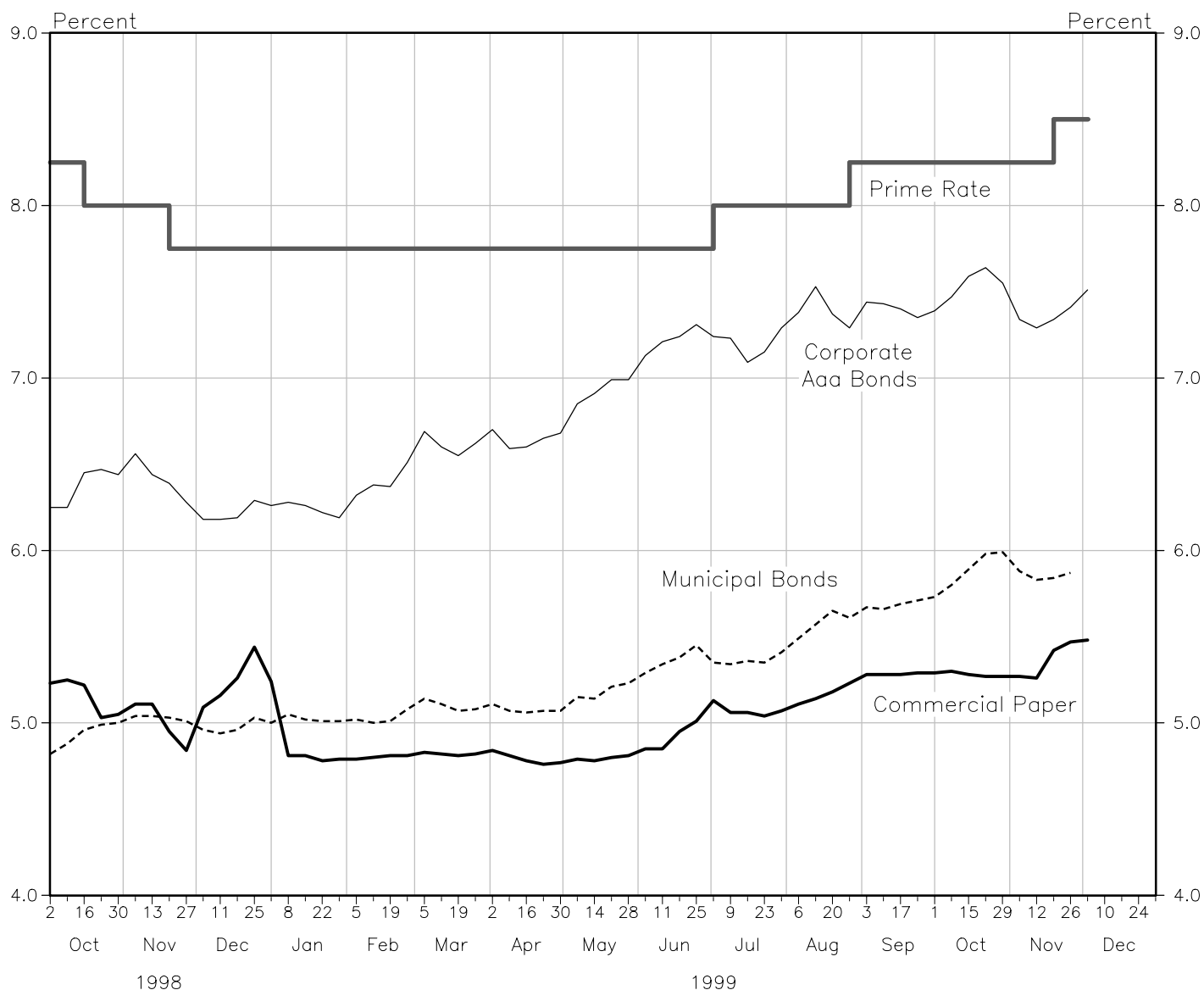


Current data appear in the Federal Reserve Board's H.6 release.

Prepared by Federal Reserve Bank of St. Louis

Yields on Selected Securities

Averages of Daily Figures



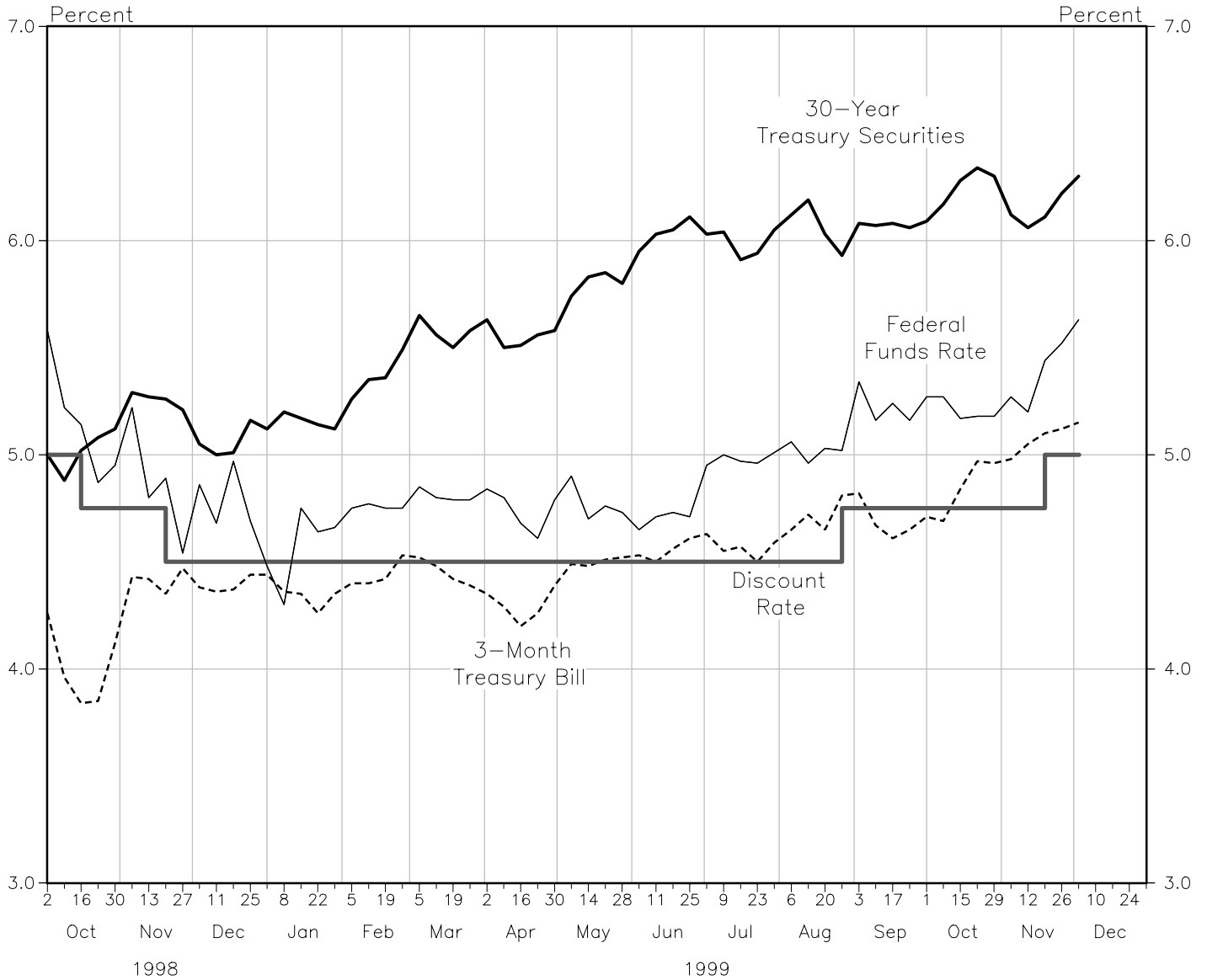
1999	30-Day Commercial Paper	90-Day CDs	90-Day Bankers' Acceptances	Corporate Aaa Bonds	Corporate Baa Bonds	Municipal Bonds **
Sep 10	5.28	5.45	5.36	7.43	8.20	5.66
17	5.28	5.45	5.36	7.40	8.18	5.69
24	5.29	5.45	5.38	7.35	8.19	5.71
Oct 1	5.29	5.79	5.50	7.39	8.24	5.73
8	5.30	6.10	6.00	7.47	8.28	5.80
15	5.28	6.13	6.00	7.59	8.40	5.89
22	5.27	6.15	6.01	7.64	8.44	5.98
29	5.27	6.14	6.06	7.55	8.42	5.99
Nov 5	5.27	6.07	6.04	7.34	8.27	5.88
12	5.26	5.96	5.88	7.29	8.13	5.83
19	5.42	5.97	5.91	7.34	8.06	5.84
26	5.47	5.96	5.91	7.41	8.12	5.87
Dec 3	5.48	5.85	5.90	7.51	8.19	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 December 3, 1999. 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

Selected Interest Rates

Averages of Daily Figures



1999	Federal Funds **	3-Month Treasury Bill	1-Year Treasury Bill	5-Year Treasury Securities	10-Year Treasury Securities	30-Year Treasury Securities
Sep 10	5.16	4.67	4.99	5.82	5.94	6.07
Sep 17	5.24	4.61	4.97	5.80	5.92	6.08
Sep 24	5.16	4.65	4.95	5.77	5.88	6.06
Oct 1	5.27	4.71	4.94	5.81	5.92	6.09
Oct 8	5.27	4.69	5.03	5.95	6.02	6.17
Oct 15	5.17	4.84	5.11	6.03	6.11	6.28
Oct 22	5.18	4.97	5.16	6.09	6.18	6.34
Oct 29	5.18	4.96	5.20	6.09	6.16	6.30
Nov 5	5.27	4.98	5.15	5.95	6.00	6.12
Nov 12	5.20	5.05	5.19	5.88	5.96	6.06
Nov 19	5.44	5.10	5.25	5.95	6.02	6.11
Nov 26	5.52	5.12	5.33	6.03	6.10	6.22
Dec 3 *	5.63	5.15	5.39	6.13	6.20	6.30

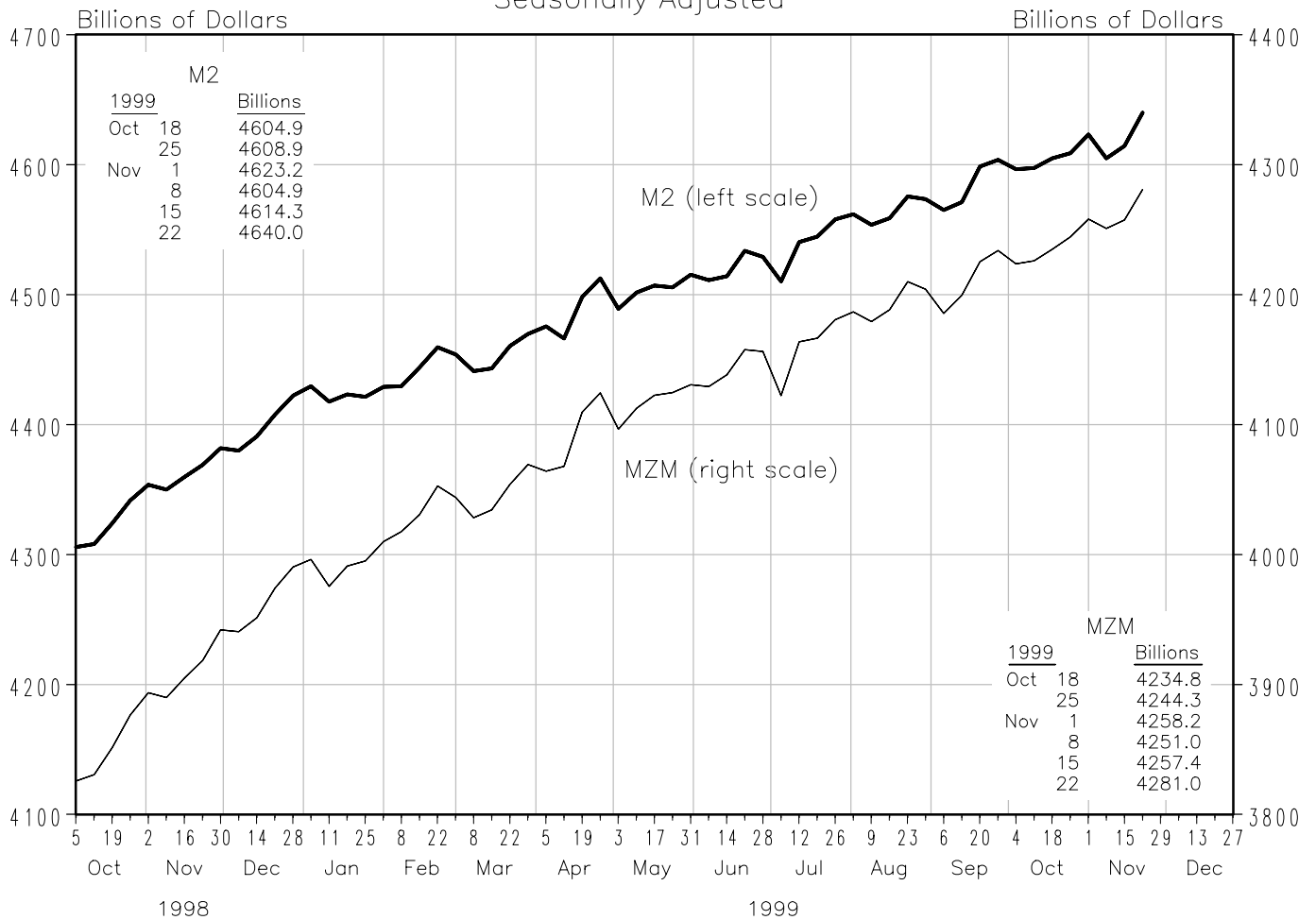
Current data appear in the Federal Reserve Board's H.15 release.

* Averages of rates available

** Seven-day averages for week ending two days earlier than date shown

Money Stock(M2) and Money Zero Maturity

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)

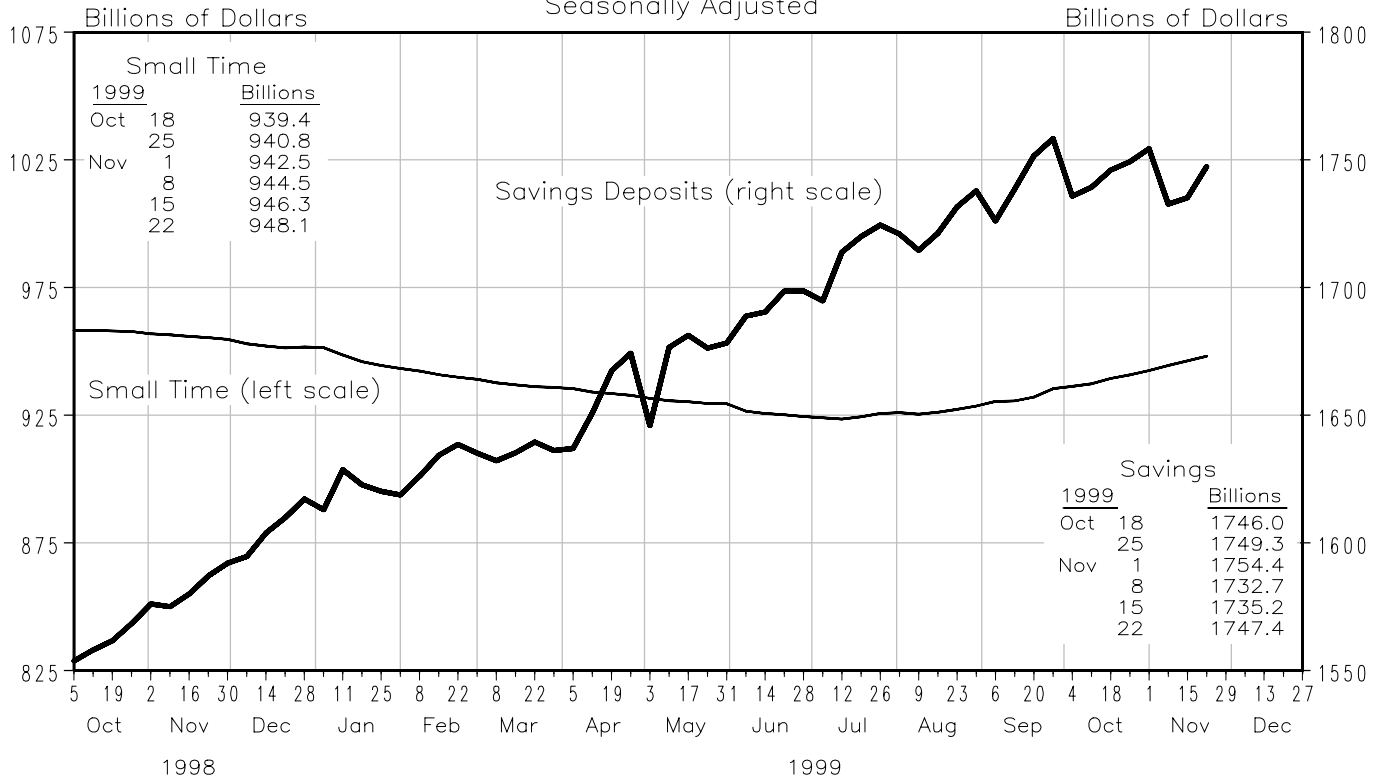
Compounded annual rates of change, average of four weeks ending:

To the average of four weeks ending:

	11/23/98	2/22/99	4/19/99	5/24/99	6/21/99	7/19/99	8/23/99	9/20/99
4/19/99	6.9							
5/24/99	6.7	5.6						
6/21/99	6.5	5.5	5.4					
7/19/99	6.1	5.1	4.9	4.4				
8/23/99	6.3	5.6	5.6	5.6	5.7			
9/20/99	6.1	5.4	5.3	5.3	5.3	6.0		
10/25/99	6.1	5.5	5.4	5.4	5.4	5.9	5.1	
11/22/99	6.0	5.4	5.4	5.4	5.4	5.8	5.2	5.6

Savings and Small Time Deposits

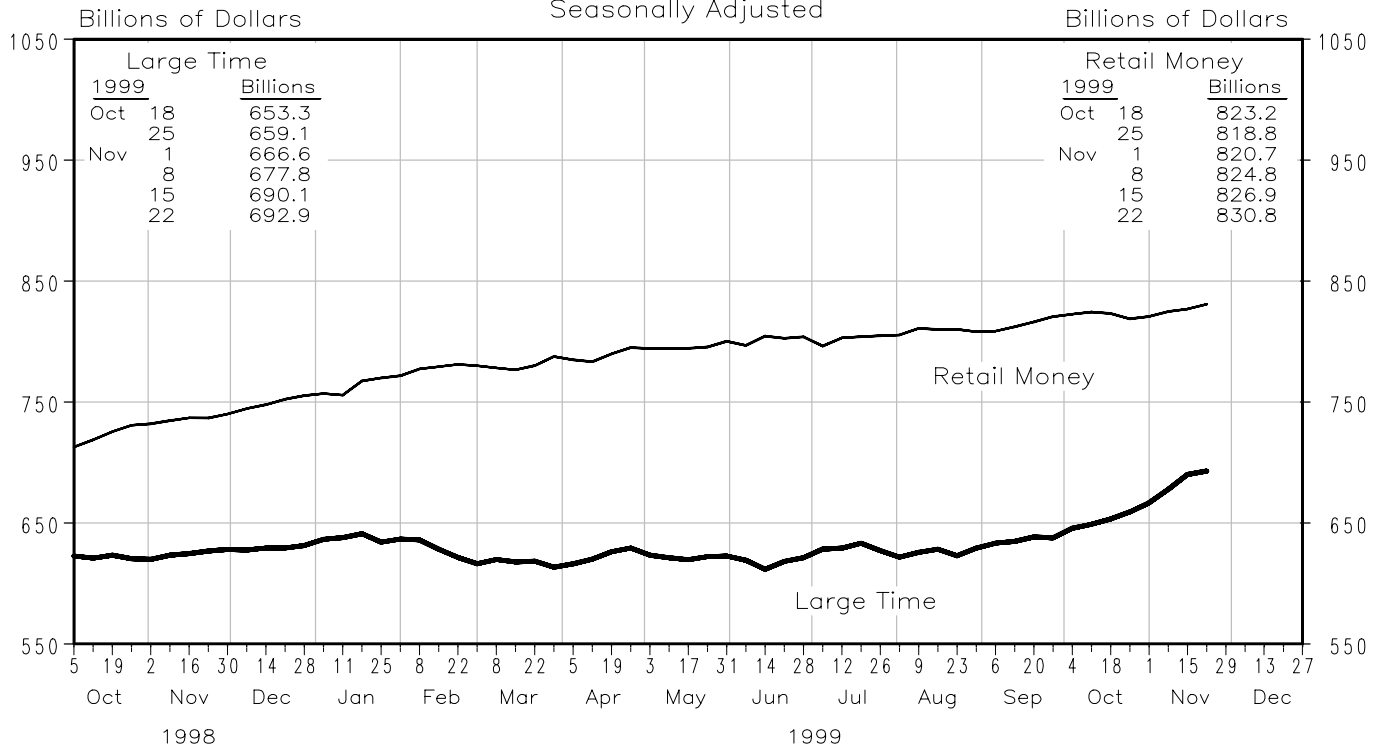
Averages of Daily Figures
Seasonally Adjusted



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

Large Time Deposits and Retail Money Funds

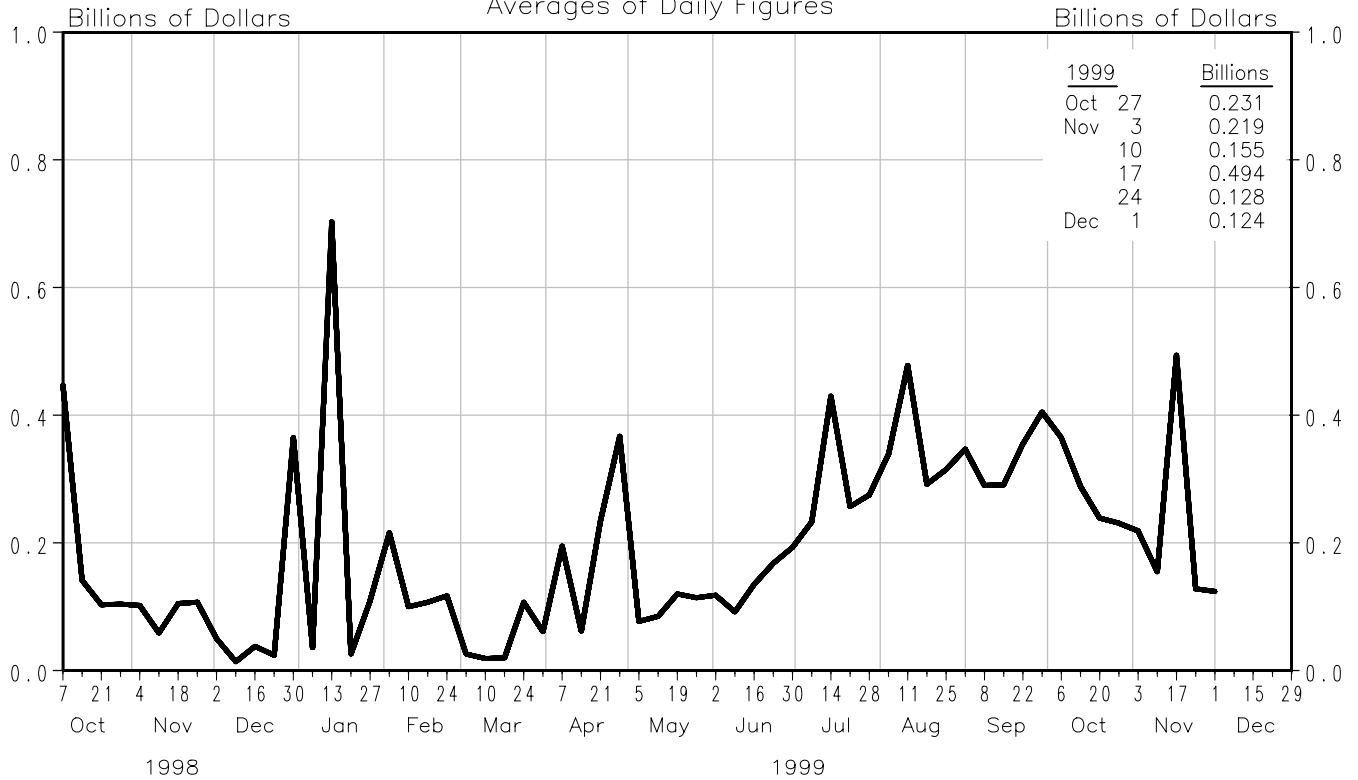
Averages of Daily Figures
Seasonally Adjusted



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.

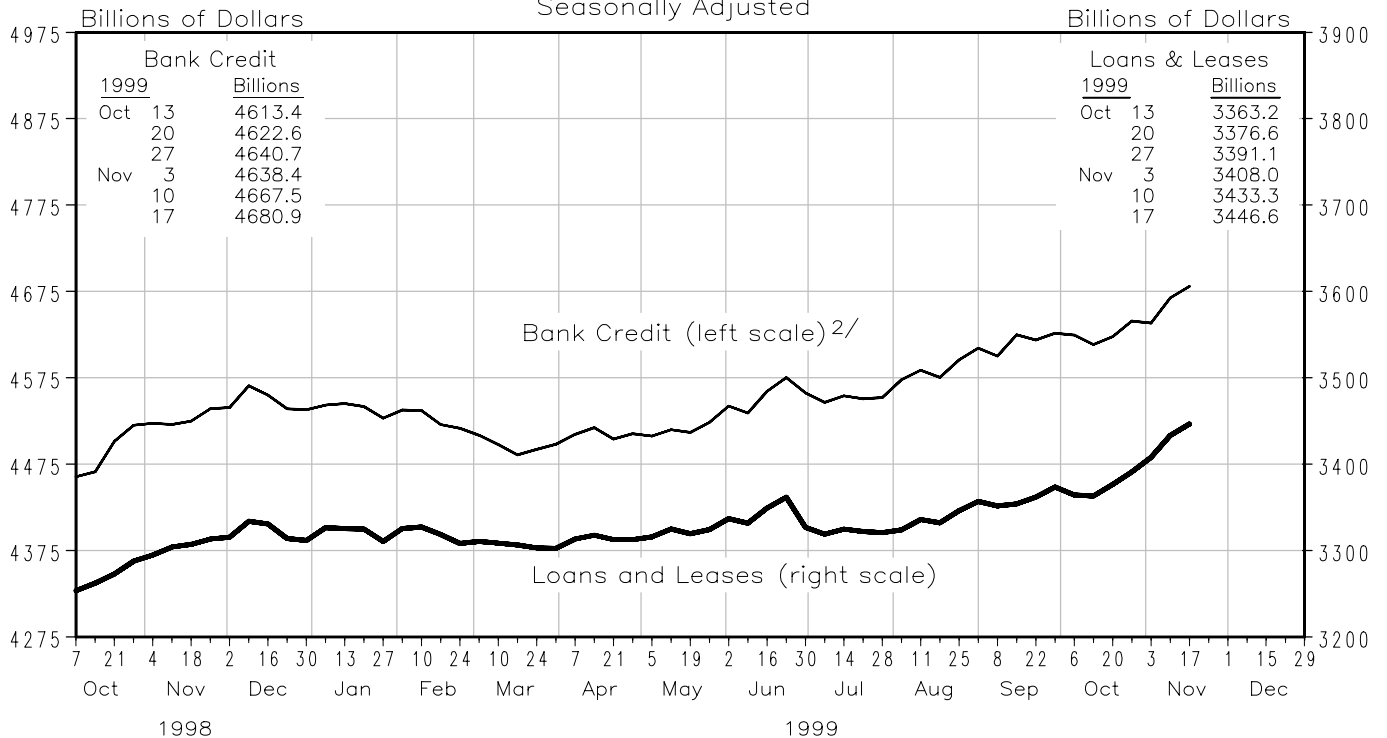
Total Borrowings

From Federal Reserve Banks
Averages of Daily Figures



Bank Loans and Credit

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



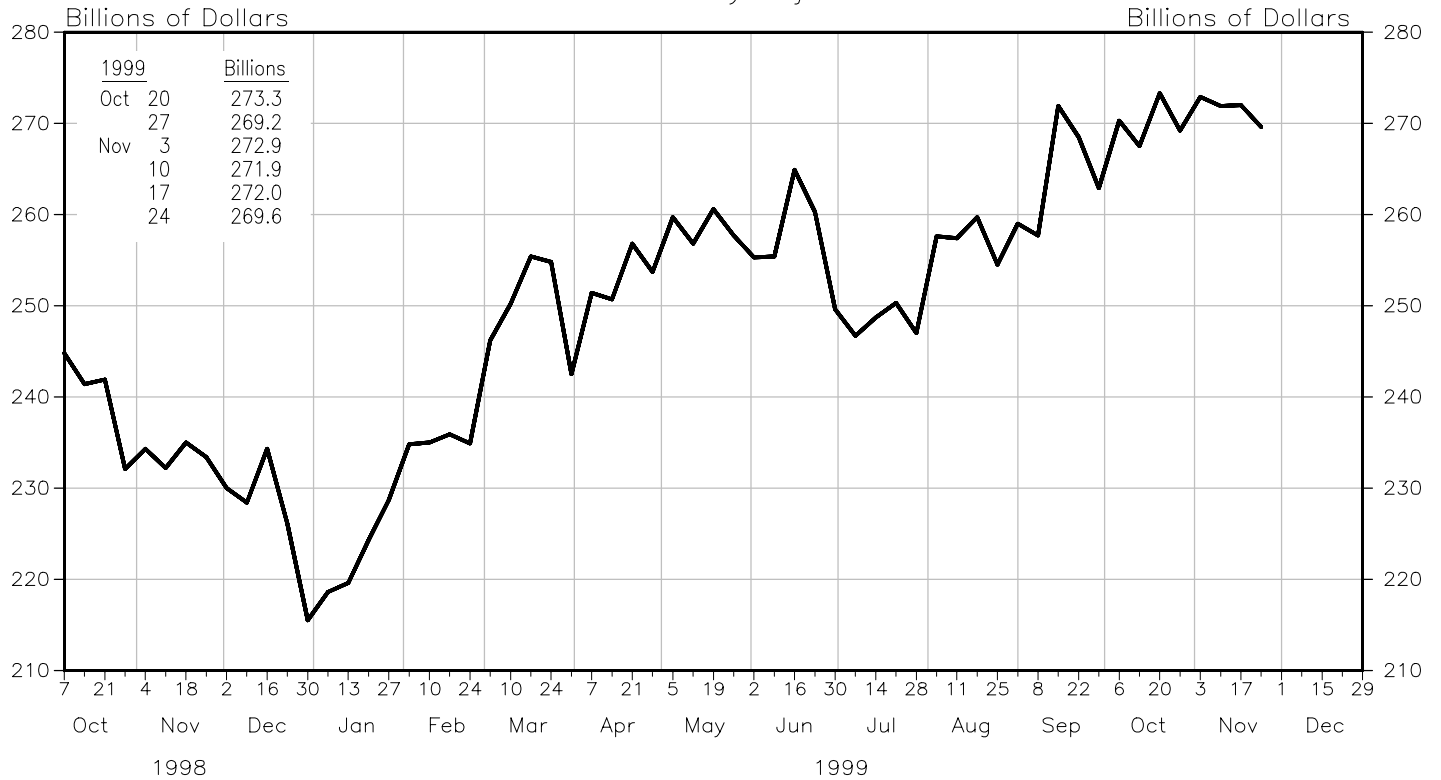
Current data appear in the Federal Reserve Board's H.8 release.

^{1/} Includes foreign-related institutions

^{2/} Includes loans and leases and securities

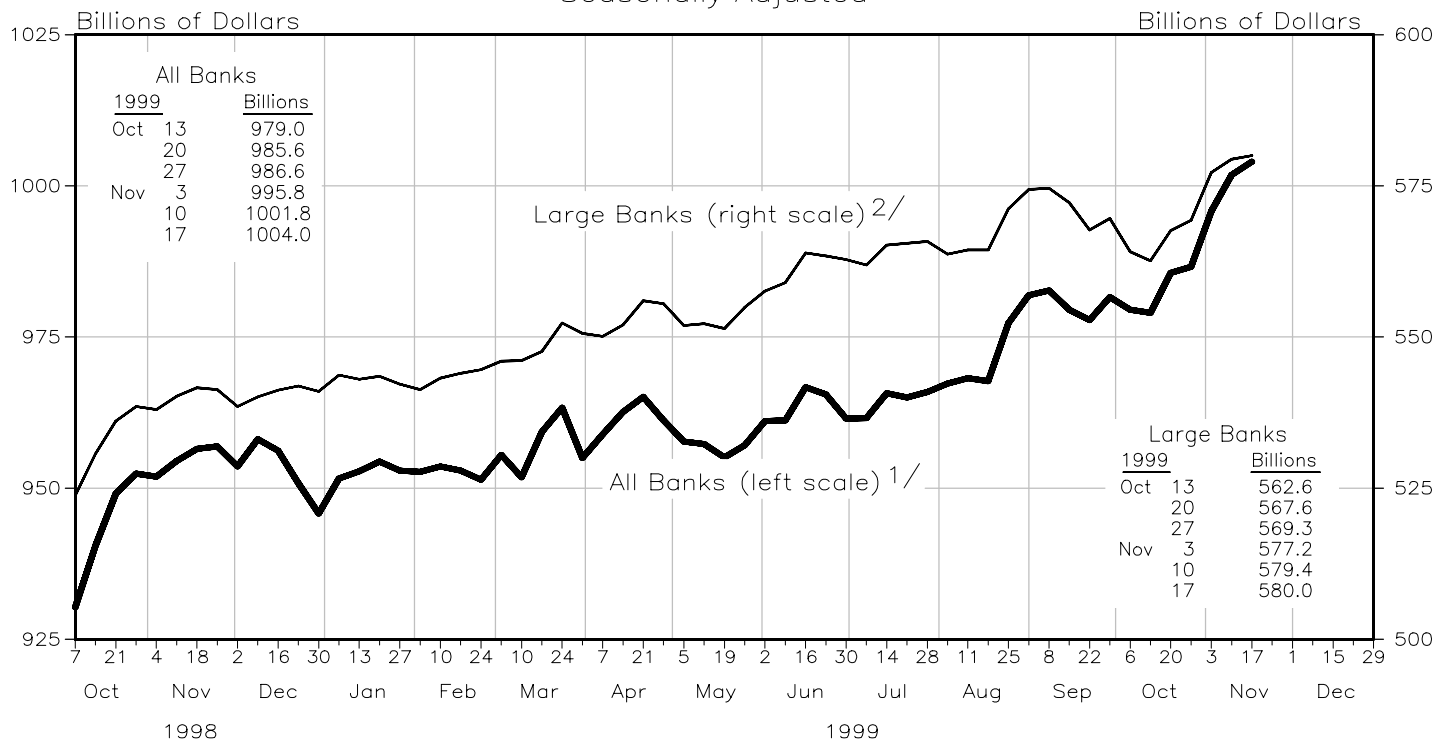
Commercial Paper of Nonfinancial Companies

Not Seasonally Adjusted



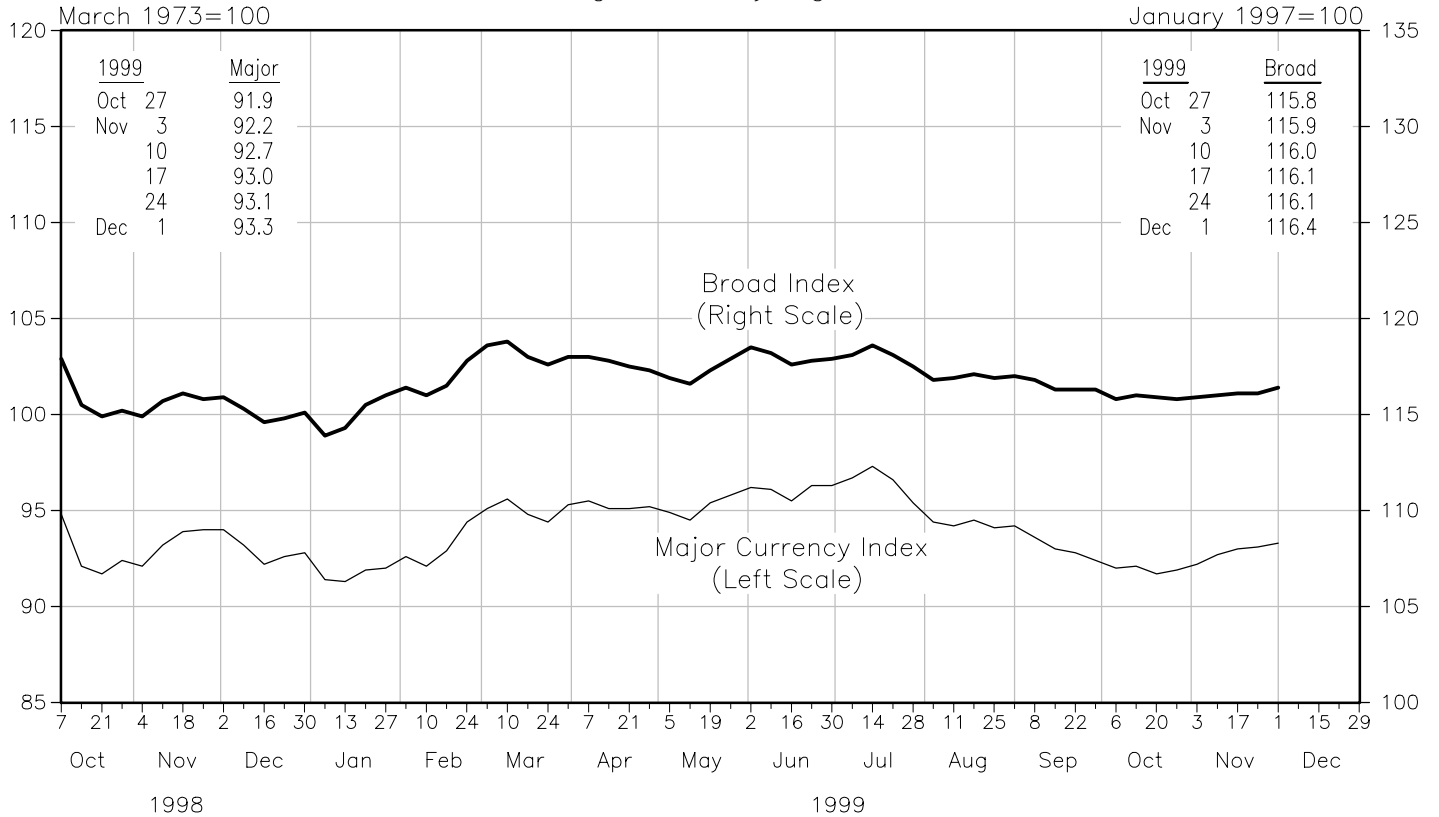
Commercial and Industrial Loans

Seasonally Adjusted



Trade – Weighted Exchange Rate Indexes

Averages of Daily Figures



The major currency index (MCI) is comprised of 7 currencies. The broad index is comprised of the major currency index plus 19 additional currencies. See the October 1998 issue of the *Federal Reserve Bulletin* for further details.

Prepared by Federal Reserve Bank of St. Louis