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December 14, 1990

SUPPLEMENT
CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the
Federal Open Market Committee

By the Staff
Board of Governors
of the Federal Reserve System

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SUPPLEMENTAL NOTES

THE DOMESTIC NONFINANCIAL ECONOMY

Industrial Production and Capacity Utilization

Total industrial production is estimated to have dropped 1.7 percent in November after declines of 0.9 percent in October and 0.1 percent in September. Manufacturing production also declined 1.7 percent last month, and capacity utilization in these industries slipped 1-1/2 percentage points to 80 percent; the manufacturing operating rate last month was about 3 percentage points lower than a year earlier.

About one-half of the November decline in total IP stemmed from a sharp reduction in output of motor vehicles and parts; motor vehicle assemblies plummeted 2-1/4 million units (annual rate, FRB seasonals) in November to an 8.4 million unit rate. In addition, production at utilities fell 3.6 percent last month, which chipped about 1/4 percent off of total IP. Much of the decline in output at electric and gas utilities probably stemmed from unseasonably warm temperatures, but a significant portion likely reflected reduced demand by commercial and industrial users as a result of a general slackening in economic activity.

Output of consumer goods fell 2 percent last month; the November decline reflected, in part, the drop in motor vehicle assemblies and the estimated falloff in output of electricity and natural gas for residential use. Excluding these two components, the index for consumer goods has declined steadily since August. Production of home goods has weakened significantly, falling another 1.1 percent in November after sizable

GROWTH IN SELECTED COMPONENTS OF INDUSTRIAL PRODUCTION
(Percent change from preceding comparable period)

	Proportion in total IP 1989:Q4	1990				1990		
		H1 ¹	Q2	Q3	Oct.-Nov. Ave. over Q3	Sep.	Oct.	Nov.
		-----Annual rate-----				---Monthly rate---		
Total index	100.0	2.4	4.2	3.6	-6.9	-0.1	-0.9	-1.7
Excluding motor vehicles and parts	95.7	2.2	2.3	3.6	-5.7	-0.4	-0.8	-0.9
Products, total	61.2	2.8	4.2	2.0	-5.9	0.1	-0.8	-1.6
Final products	46.6	3.2	5.6	3.1	-5.6	0.4	-0.9	-1.7
Consumer goods	25.9	-0.3	2.5	1.2	-6.6	0.3	-1.0	-2.0
Automotive products	2.4	7.8	43.4	1.9	-26.2	6.8	-4.3	-13.4
Other consumer goods	23.5	-1.1	-0.9	1.1	-4.4	-0.4	-0.7	-0.8
Durables	3.1	4.6	0.2	-7.6	-12.3	-0.8	-2.2	-1.1
Nondurables	20.4	-2.0	-1.0	2.6	-3.1	-0.3	-0.4	-0.7
Energy	2.7	-9.3	1.2	13.8	-12.9	-0.8	-1.7	-3.8
Other	17.7	-0.9	-1.4	1.0	-1.5	-0.2	-0.2	-0.3
Business equipment	15.2	8.7	10.7	8.1	-4.5	0.8	-0.8	-1.9
Motor vehicles	1.1	14.1	92.7	3.1	-33.2	9.4	-4.2	-21.1
Other business equipment	14.1	8.2	6.1	8.5	-1.9	0.1	-0.6	-0.3
Computers	2.5	16.1	14.1	9.8	0.5	1.5	-0.4	-0.7
Other	11.6	6.6	4.4	8.3	-2.4	-0.2	-0.6	-0.3
Construction supplies	6.0	-1.7	-6.8	-3.0	-12.7	-1.7	-0.9	-1.7
Materials	38.8	1.8	4.2	6.2	-8.3	-0.4	-1.0	-1.8
Durable	19.8	3.2	7.7	6.8	-10.6	-0.8	-1.2	-2.6
Nondurable	8.8	1.4	1.4	4.9	-4.9	-0.0	-0.8	-0.3
Energy	10.2	-0.6	0.1	6.2	-6.5	0.1	-0.8	-1.7
Memorandum:								
Manufacturing	84.9	2.9	3.8	3.1	-6.7	-0.1	-0.8	-1.7
Excluding motor vehicles	80.6	2.6	1.6	3.0	-5.2	-0.5	-0.7	-0.8

1. From the final quarter of the previous period to the final quarter of the period indicated.

CAPACITY UTILIZATION IN SELECTED INDUSTRIES
(Percent of capacity; seasonally adjusted)

	1967-89	1988-89	1989	1990		
	Avg.	High	Nov.	Sep.	Oct.	Nov.
Total industry	82.2	85.0	83.5	83.3	82.4	80.9
Manufacturing	81.5	85.1	83.0	82.5	81.6	80.0
Primary processing	82.3	89.0	86.1	84.7	83.8	82.4
Textile mill products	86.0	91.2	86.0	85.3	83.9	82.5
Lumber and products	82.7	91.2	85.7	79.7	78.7	75.2
Primary processing chemicals ¹	82.9	91.7	89.1	84.6	84.4	83.7
Petroleum products	85.1	90.3	90.3	90.3	89.7	87.8
Iron and steel	79.4	92.0	79.1	86.0	83.4	83.2
Advanced processing	81.1	83.6	81.7	81.5	80.7	78.9
Advanced processing chemicals ²	77.2	83.2	79.0	78.0	77.5	77.8
Nonelectrical machinery	81.3	83.5	81.9	82.7	82.0	81.2
Electrical machinery	80.4	83.1	81.0	80.0	78.7	78.1
Motor vehicles and parts	76.7	85.5	75.0	79.8	76.9	63.1

1. Primary processing chemicals includes industrial organic and inorganic chemicals, synthetic materials, plastics resins and fertilizers.

2. Advanced processing chemicals includes drugs and toiletries, soaps and detergents, paints and allied products, pesticides, and other miscellaneous chemical products.

declines in the preceding two months. Among nondurables, output of clothing, which has been falling since May, retreated further last month.

Production of business equipment fell nearly 2 percent in November after a 0.7 percent decline in the previous month. The November decline reflected not only the drop in assemblies of motor vehicles for business, but also lower production of a variety of capital goods, including industrial equipment, computers, and service industry equipment. Output of construction supplies dropped further last month and was nearly 7 percent below the recent highs reached early this year.

Materials output, which peaked in August, fell 1.8 percent further in November. Output of durables has dropped sharply during the past two months, owing, in part, to reduced demand from motor vehicle producers. Production of parts for business equipment and output of basic metals also have declined in recent months. Among other materials, production of textiles fell again, but output of paper materials continued to be well maintained. Production of energy materials fell 1.7 percent last month, with significant decreases in electricity generation and coal mining.

Consumer Spending

Nominal retail sales are estimated to have been little changed, on balance, in October and November from a September level that is considerably lower than previously reported. In the retail control category, which excludes spending at automotive dealers and at building material and supply stores, sales are estimated to have increased 0.3 percent last month. Growth in retail control in September was revised down 0.4 percentage point;

RETAIL SALES
(Seasonally adjusted percentage change)

	1990			1990		
	Q1	Q2	Q3	Sept.	Oct.	Nov.
Total sales	2.6	-.9	1.5	.9	.2	-.1
Previous estimate ¹			1.7	1.3	.1	
Retail control ²	2.2	.0	1.9	.5	.0	.3
Previous estimate ¹			2.0	.9	-.0	
GAF ³	2.3	-.9	.8	-1.1	-.5	.0
Previous estimate ¹			.9	-.8	-.6	
Durable goods stores	3.6	-3.0	.0	1.3	.6	-1.4
Previous estimate ¹			.0	1.4	.7	
Bldg. material and supply	2.9	-2.1	.8	-1.9	-1.3	-2.6
Automotive dealers	3.8	-3.6	.3	2.7	1.4	-1.3
Furniture and appliances	2.7	-.5	-2.3	1.4	-.6	.3
Other durable goods	4.3	-4.0	.6	-.8	.3	-2.0
Nondurable goods stores	2.0	.3	2.4	.6	.0	.5
Previous estimate ¹			2.6	1.2	-.2	
Apparel	.9	1.7	1.0	-2.9	-.3	.8
Food	1.6	1.2	1.2	1.7	-.1	.5
General merchandise ⁴	2.7	-2.2	2.1	-1.3	-.6	-.4
Gasoline stations	2.2	-.7	9.3	4.9	2.6	.7
Other nondurables ⁵	2.4	1.1	1.9	.1	-.6	1.0
<u>Memo:</u>						
Motor vehicle sales ⁶	14.4	14.0	14.2	14.5	13.5	12.7
Autos	9.8	9.5	9.7	10.1	9.3	8.5
Light trucks	4.6	4.4	4.5	4.4	4.2	4.2

1. Based on incomplete sample counts approximately one month ago.

2. Total retail sales less building material and supply stores and automotive dealers, except auto and home supply stores.

3. General merchandise, apparel, furniture, and appliance stores.

4. General merchandise excludes mail order nonstores; mail order sales are also excluded in the GAF grouping.

5. Includes sales at eating and drinking places, drug and proprietary stores.

6. Millions of units at an annual rate; BEA seasonals.

October growth was essentially unchanged.¹ Sales of domestically produced autos and light trucks, which dropped from a 10.7 million unit annual rate in October to a 9.7 million unit rate in November, are estimated to have remained at that rate in early December. Overall, these new figures imply no significant change to the staff's forecast for the growth of real personal consumption expenditures during the current quarter.

In November, nominal spending at general merchandisers is estimated to have declined 0.4 percent, consistent with much anecdotal evidence of weak activity at these stores. Spending at apparel stores posted an increase of 0.8 percent, partially retracing declines of the preceding two months. At furniture stores, sales edged up 0.3 percent in November. For these three types of outlets as a whole, the so-called GAF grouping, November outlays were unchanged; however, the level of nominal GAF sales in November was 1.3 percent below the third-quarter average (not at an annual rate).

Nominal sales at gasoline stations are estimated to have increased 0.7 percent in November, down sharply from the rates of growth posted in the preceding three months. Sales at food stores rose 0.5 percent in November; the level of spending last month at these stores was about 1-1/2 percent above the third-quarter average.

Business Inventories

Inventories held by nonauto retailers rose at an annual rate of \$13 billion in current dollars in October. The increase follows two months in which stocks at these stores were little changed in current dollars and were drawn down in constant dollars. The accumulation was concentrated at

1. The downward revisions to the September estimates occurred among nondurable goods stores: apparel outlets, food stores, gasoline stations, and miscellaneous other nondurable goods stores.

CHANGES IN MANUFACTURING AND TRADE INVENTORIES
(Billions of dollars at annual rates;
based on seasonally adjusted data)

	1990			1990		
	Q1	Q2	Q3	Aug.	Sept.	Oct.
Current-cost basis:						
Total	-7.0	11.2	57.5	64.1	40.3	36.9
Total excluding retail auto	9.1	9.8	36.7	19.1	40.5	21.7
Manufacturing	2.7	-4.2	25.2	12.2	32.2	3.3
Wholesale	2.2	7.6	8.2	6.4	3.7	5.4
Retail	-11.8	7.8	24.1	45.5	4.3	28.2
Automotive	-16.1	1.4	20.8	45.0	-0.2	15.2
Excluding auto	4.3	6.5	3.3	0.5	4.5	13.0
Constant-dollar basis:						
Total	-25.0	6.2	4.1	-15.0	-14.9	n.a.
Total excluding retail auto	-2.4	3.3	1.6	-19.1	-11.5	n.a.
Manufacturing	1.7	-2.6	1.5	-12.8	-4.9	n.a.
Wholesale	-1.1	1.2	2.3	0.1	-4.0	n.a.
Retail	-25.6	7.6	0.3	-2.4	-6.0	n.a.
Automotive	-22.6	2.8	2.5	4.1	-3.5	n.a.
Excluding auto	-3.0	4.8	-2.2	-6.5	-2.5	n.a.

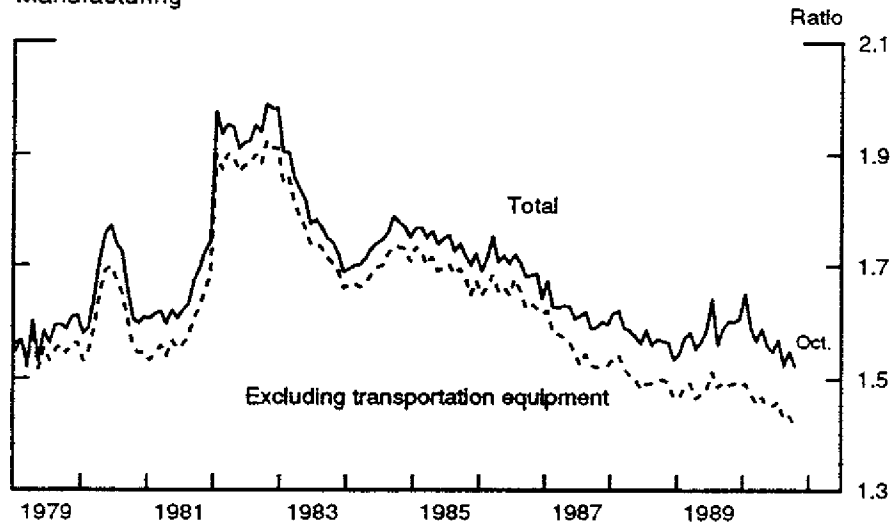
INVENTORIES RELATIVE TO SALES¹
(Months supply; based on seasonally adjusted data)

	1990			1990				
	Q1	Q2	Q3	Aug.	Sept.	Oct.		
Range in preceding 12 months: ²								
	Low	High						
Current-cost basis:								
Total	1.46	1.51	1.48	1.48	1.48	1.46	1.48	1.47
Total excluding retail auto	1.43	1.49	1.46	1.45	1.45	1.43	1.45	1.44
Manufacturing	1.52	1.65	1.60	1.56	1.56	1.52	1.55	1.52
Wholesale	1.24	1.27	1.25	1.25	1.26	1.24	1.27	1.27
Retail	1.55	1.62	1.55	1.58	1.60	1.60	1.59	1.60
Automotive	1.81	2.12	1.84	1.92	2.08	2.12	2.07	2.08
Excluding auto	1.46	1.50	1.48	1.49	1.47	1.47	1.46	1.47
Constant-dollar basis:								
Total	1.42	1.46	1.44	1.43	1.43	1.42	1.44	n.a.
Total excluding retail auto	1.39	1.45	1.42	1.41	1.41	1.39	1.42	n.a.
Manufacturing	1.44	1.54	1.50	1.47	1.46	1.44	1.46	n.a.
Wholesale	1.26	1.30	1.28	1.27	1.28	1.26	1.30	n.a.
Retail	1.51	1.58	1.51	1.55	1.54	1.55	1.54	n.a.
Automotive	1.72	2.04	1.73	1.82	1.84	1.89	1.83	n.a.
Excluding auto	1.44	1.49	1.46	1.48	1.46	1.46	1.47	n.a.

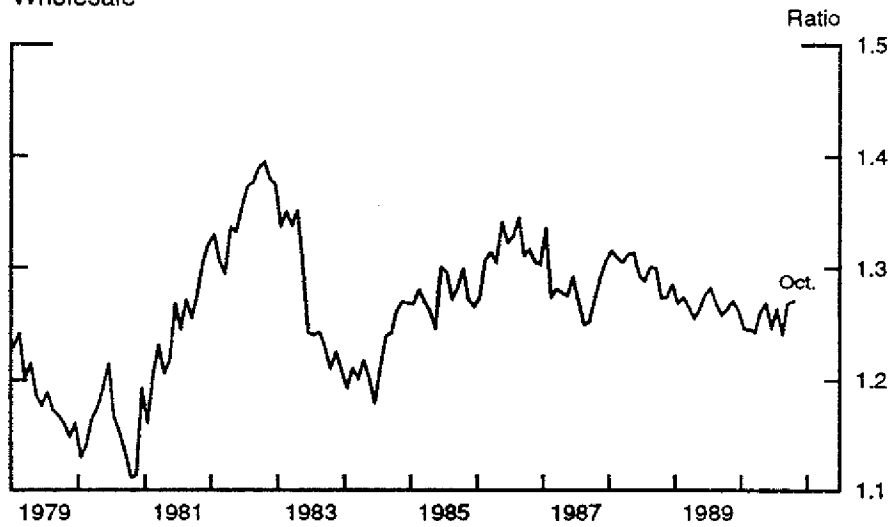
1. Ratio of end of period inventories to average monthly sales for the period.
2. Highs and lows are specific to each series and are not necessarily coincidental. Range is for the 12-month period preceding the latest month for which data are available.

RATIO OF INVENTORIES TO SALES (Current-cost data)

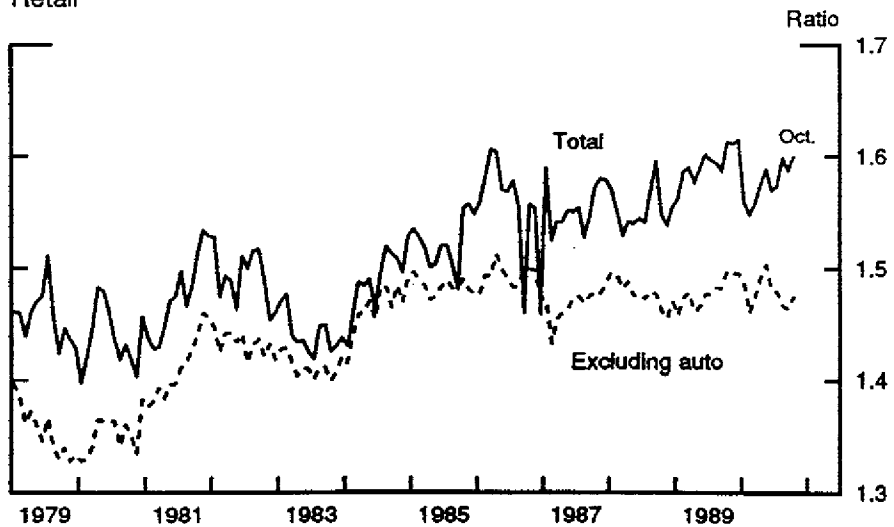
Manufacturing



Wholesale



Retail



general merchandisers, where sales declined for a second month in October, and at stores selling various nondurables other than general merchandise, food, and apparel.² Apparel stores apparently were somewhat more successful in controlling their stocks, which were little changed in October despite weaker sales. Overall, the inventory-sales ratio for nonauto retailers ticked up only fractionally from its recent low in September.

Producer Prices

Producer prices of finished goods rose 0.5 percent in November. Energy price increases slowed, held down by declines in the prices of refined petroleum products. Food prices, which were little changed in the third quarter, increased 0.8 percent in November, following a similar rise in October. The PPI for finished goods other than food and energy moved up 0.5 percent in November; thus far, the spillover of higher prices for crude oil to the prices of finished goods appears to have been small.

The PPI for finished energy was little changed in November. Producer prices of gasoline and fuel oil fell 2-1/2 percent and 7-1/4 percent, respectively, reflecting the partial easing of crude oil prices. However, the PPI for natural gas, which had fallen about 8-1/2 percent in the three months ending in October, bounced back 5 percent in November.

The PPI for finished goods other than food and energy was boosted in November by a 3.7 percent increase in tobacco prices and a 1.8 percent increase in prices of passenger cars. The rise in car prices followed a 2.7 percent decline in October; these monthly fluctuations likely reflect

2. Our contact at the Census Bureau indicated that a change in gasoline inventories did not contribute importantly to this increase.

RECENT CHANGES IN PRODUCER PRICES
(Percentage change; based on seasonally adjusted data)¹

	Relative importance Dec. 1989	1988	1989	1990			1990	
				Q1	Q2	Q3	Oct.	Nov.
				-----Annual rate-----			-Monthly rate-	
Finished goods	100.0	4.0	4.9	7.1	.3	11.7	1.1	.5
Consumer foods	25.9	5.7	5.2	10.6	-3.8	.6	.9	.8
Consumer energy	9.2	-3.6	9.5	24.7	-14.3	137.4	8.0	.1
Other finished goods	64.9	4.3	4.2	3.6	4.2	3.2	.0	.5
Consumer goods	39.5	4.8	4.4	3.5	5.4	2.2	.0	.6
Capital equipment	25.4	3.6	3.8	4.0	2.3	5.3	-.2	.2
Intermediate materials ²	94.9	5.3	2.5	2.5	-.4	13.4	1.6	.2
Excluding food and energy	82.5	7.2	.9	1.0	.7	4.0	.4	.2
Crude food materials	41.9	14.2	2.8	9.1	-10.2	-7.9	1.1	-1.7
Crude energy	40.5	-9.5	17.9	.5	-39.2	296.0	18.7	-10.3
Other crude materials	17.5	7.5	-3.6	4.0	13.2	8.7	-1.7	-2.3

1. Changes are from final month of preceding period to final month of period indicated.
2. Excludes materials for food manufacturing and animal feeds.

RECENT CHANGES IN CONSUMER PRICES
(Percentage change; based on seasonally adjusted data)¹

	Relative importance Dec. 1989	1988	1989	1990			1990	
				Q1	Q2	Q3	Sept.	Oct.
				-----Annual rate-----			-Monthly rate-	
All items ²	100.0	4.4	4.6	8.5	3.5	7.9	.8	.6
Food	16.3	5.2	5.6	11.4	2.1	3.7	.2	.4
Energy	7.4	.5	5.1	14.8	-2.0	42.7	5.6	4.5
All items less food and energy	76.3	4.7	4.4	7.5	3.9	5.7	.3	.3
Commodities	25.2	4.0	2.7	7.8	.7	2.9	.4	.2
Services	51.1	5.0	5.3	7.2	5.5	7.2	.3	.3
Memorandum:								
CPI-W ³	100.0	4.4	4.5	8.3	3.2	8.0	.8	.7

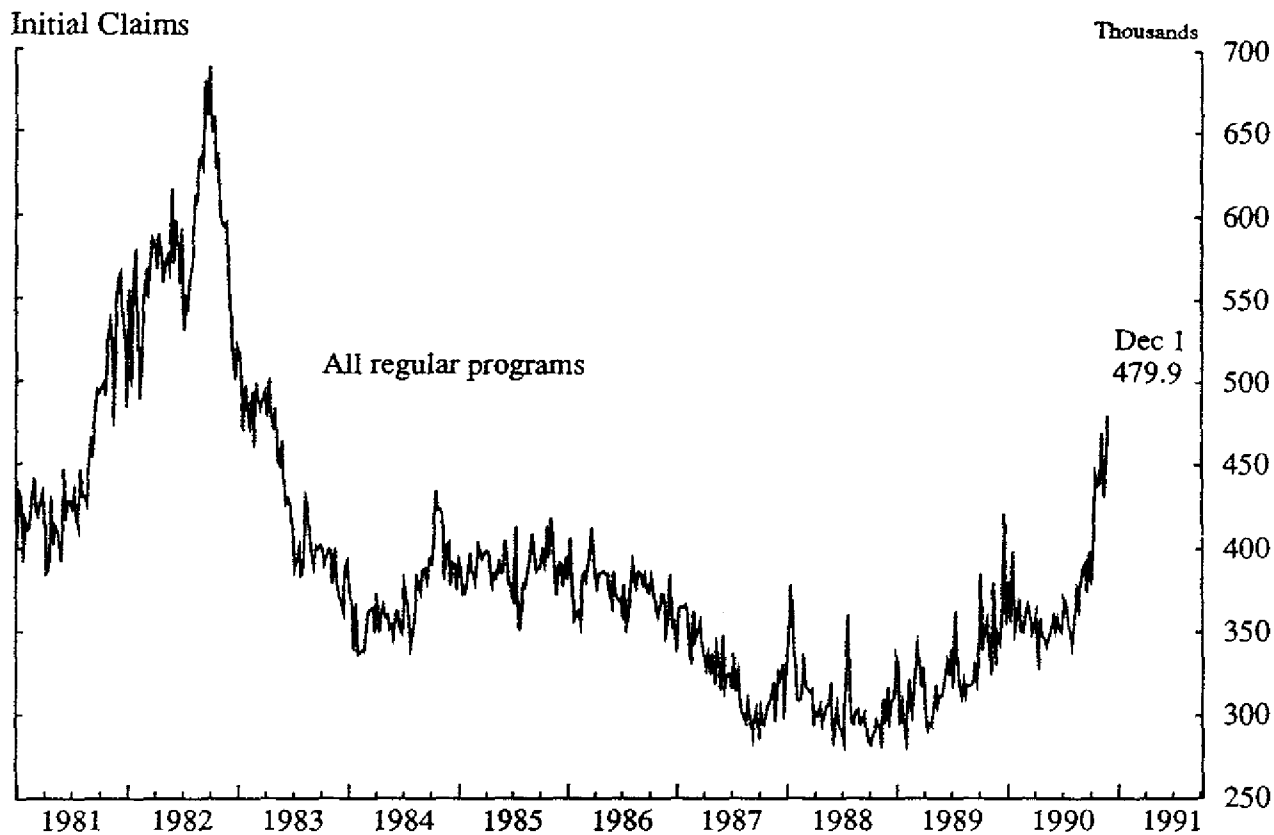
1. Changes are from final month of preceding period to final month of period indicated.
2. Official index for all urban consumers.
3. Index for urban wage earners and clerical workers.

the difficulties in seasonal adjustment around the beginning of the new model year.

At earlier stages of processing, the PPI for intermediate materials excluding food and energy rose 0.2 percent in November. A 1 percent further increase in prices of materials for nondurable manufacturing--which includes paints, plastics, rubber, and other petroleum derivatives--was partly offset by sharp declines in prices of industrial metals, which tend to be sensitive to the pace of activity in manufacturing.

Unemployment Insurance

(Weekly data; seasonally adjusted, FRB basis <1>)



<1> Only the state program components of these series are seasonally adjusted.

MONETARY AGGREGATES
(based on seasonally adjusted data unless otherwise noted)

	1989 ¹	1990 Q2	1990 Q3	1990 Sep	1990 Oct	1990 Nov p	Growth Q4 89- Nov 90p
-----Percent change at annual rates-----							
1. M1	0.6	3.5	4.1	9.3	-3.1	3.8	4.0
2. M2	4.6	3.2	3.1	5.3	0.4	-0.9	3.6
3. M3	3.3	1.1	1.7	0.8	-1.0	-1.4	1.4

	-----Percent change at annual rates-----						Levels bil. \$ Nov 90p
Selected components							
4. M1-A	0.4	1.6	6.8	12.1	-0.7	2.5	530.3
5. Currency	4.8	9.2	11.6	15.6	12.4	3.9	244.8
6. Demand deposits	-2.8	-4.7	2.6	7.8	-12.4	1.7	277.2
7. Other checkable deposits	1.0	7.1	-0.8	4.1	-7.0	5.8	292.3
8. M2 minus M1 ²	5.9	3.1	2.8	4.0	1.5	-2.4	2495.8
9. Overnight RPs and Eurodollars, NSA	-8.6	-2.0	5.9	-16.0	38.2	-75.5	78.9
10. General purpose and broker/dealer money market mutual fund shares	29.7	1.2	13.2	21.4	9.8	-4.9	343.3
11. Commercial banks	7.5	10.3	11.3	6.4	12.7	2.6	1162.2
12. Savings deposits plus MMDAs ³	-1.7	8.6	7.5	4.4	3.8	0.8	574.7
13. Small time deposits	19.0	12.1	15.3	8.2	21.5	4.5	587.6
14. Thrift institutions	-0.2	-4.0	-10.0	-6.2	-16.1	-4.9	910.9
15. Savings deposits plus MMDAs ³	-9.3	1.4	-5.3	-3.8	-12.3	-3.1	346.0
6. Small time deposits	5.8	-7.1	-12.8	-7.7	-18.3	-5.9	564.9
16. M3 minus M2 ⁴	-1.3	-7.3	-4.3	-18.0	-7.1	-3.3	769.6
18. Large time deposits	4.2	-10.3	-8.7	-17.2	-15.1	-10.1	505.9
19. At commercial banks, net ⁵	9.9	-2.8	-0.8	-13.9	-8.0	-0.9	388.8
20. At thrift institutions	-7.8	-30.1	-31.4	-26.3	-37.4	-39.6	117.1
21. Institution-only money market mutual fund shares	17.1	11.5	22.0	22.1	38.2	3.0	120.1
22. Term RPs, NSA	-14.7	5.0	0.8	-46.4	-40.6	-3.9	91.0
23. Term Eurodollars, NSA	-21.9	-22.4	11.6	15.8	3.5	19.0	70.6

-----Average monthly change in billions of dollars-----

MEMORANDA:⁶

24. Managed liabilities at commercial banks (25+26)	6.0	-1.6	1.0	-7.1	5.3	-0.3	732.0
25. Large time deposits, gross	2.6	-1.5	-2.4	-5.2	-4.0	-2.0	439.5
26. Nondeposit funds	3.5	-0.1	3.4	-1.9	9.3	1.7	292.5
27. Net due to related foreign institutions	0.2	-0.8	1.5	2.5	9.0	0.2	28.6
28. Other ⁷	3.3	0.7	2.0	-4.5	0.3	1.5	263.9
29. U.S. government deposits at commercial banks ⁸	-0.3	0.4	2.6	-5.0	-6.3	5.0	26.9

1. Amounts shown are from fourth quarter to fourth quarter.

2. Nontransactions M2 is seasonally adjusted as a whole.

3. Commercial bank savings deposits excluding MMDAs grew during October and November at rates of 7.9 percent and -0.6 percent, respectively. At thrift institutions, savings deposits excluding MMDAs grew during October and November at rates of -13.7 percent and -5 percent, respectively.

4. The non-M2 component of M3 is seasonally adjusted as a whole.

5. Net of large denomination time deposits held by money market mutual funds and thrift institutions.

6. Dollar amounts shown under memoranda are calculated on an end-month-of-quarter basis.

7. Consists of borrowing from other than commercial banks in the form of federal funds purchased, securities sold under agreements to repurchase, and other liabilities for borrowed money (including borrowing from the Federal Reserve and unaffiliated foreign banks, loan RPs and other minor items). Data are partially estimated.

8. Consists of Treasury demand deposits and note balances at commercial banks.

p - preliminary

COMMERCIAL BANK CREDIT AND SHORT- AND INTERMEDIATE-TERM BUSINESS CREDIT
(Percentage changes at annual rates, based on seasonally adjusted data)¹

	1988:Q4	1990					Levels
	to 1989:Q4	Q2	Q3	Sep.	Oct.	Nov. p	bil.\$ Nov. p
----- Commercial Bank Credit -----							
1. Total loans and securities at banks	7.5	5.2	5.8	.1	.9	1.4	2714.1
2. Securities	4.1	9.4	6.5	11.6	3.3	-2.5	627.2
3. U.S. government securities	10.0	15.4	7.8	16.0	11.8	.3	452.0
4. Other securities	-6.7	-4.4	3.1	.7	-18.1	-9.5	175.2
5. Total loans	8.5	3.9	5.6	-3.3	.3	2.6	2086.9
6. Business loans	6.9	4.9	.9	-2.4	-2.6	5.7	652.5
7. Real estate loans	13.3	9.3	6.4	3.4	8.1	4.8	823.9
8. Consumer loans	6.3	-.8	3.1	3.2	-.3	-2.8	380.3
9. Security loans	3.8	-20.4	88.4	-75.7	-47.3	-43.5	39.9
10. Other loans	1.5	-6.5	8.3	-28.7	-6.3	3.8	190.3
----- Short- and Intermediate-Term Business Credit -----							
11. Business loans net of bankers acceptances	7.0	4.7	1.1	-3.0	-2.6	5.2	644.7
12. Loans at foreign branches ²	-5.0	9.2	28.8	80.7	25.2	19.8	24.7
13. Sum of lines 11 & 12	6.5	4.8	2.0	-.2	-1.6	5.8	669.4
14. Commercial paper issued by nonfinancial firms	31.2	9.3	16.8	50.3	19.0	-24.1	151.0
15. Sum of lines 13 & 14	10.0	5.6	4.6	8.7	2.2	.3	820.4
16. Bankers acceptances: U.S. trade related ⁴	6.1	-9.8	-27.6	-19.9	12.1	n.a.	30.0 ⁵
17. Line 15 plus bankers acceptances: U.S. trade related	9.8	5.0	3.5	7.8	2.5	n.a.	850.5 ⁵
18. Finance company loans to business ³	10.6	15.4	20.7	17.1	10.6	n.a.	286.8 ⁵
19. Total short- and intermediate-term business credit (sum of lines 17 & 18)	10.0	7.5	7.6	10.1	4.6	n.a.	1137.3 ⁵

1. Average of Wednesdays.

2. Loans at foreign branches are loans made to U.S. firms by foreign branches of domestically chartered banks.

3. Based on average of data for current and preceding ends of month.

4. Consists of acceptances that finance U.S. imports, U.S. exports, and domestic shipment and storage of goods.

5. October data.

p--preliminary.

n.a.--not available

SELECTED FINANCIAL MARKET QUOTATIONS
(percent)

	1989		1990			Change from:		
	March highs	Dec lows	Aug highs	FOMC Nov 13	Dec 13	Dec 89 lows	Aug 90 highs	FOMC Nov 13
Short-term rates								
Federal funds ²	9.85	8.45	8.21	7.88	7.43	-1.02	-0.78	-0.45
Treasury bills ³								
3-month	9.09	7.53	7.59	7.04	6.83	-0.70	-0.76	-0.21
6-month	9.11	7.29	7.51	7.04	6.71	-0.58	-0.80	-0.33
1-year	9.05	7.11	7.45	6.84	6.67	-0.44	-0.78	-0.17
Commercial paper								
1-month	10.05	8.51	8.10	7.86	7.76	-0.75	-0.34	-0.10
3-month	10.15	8.22	8.05	7.87	7.48	-0.74	-0.57	-0.39
Large negotiable CDs ³								
1-month	10.07	8.52	8.14	7.86	7.77	-0.75	-0.37	-0.09
3-month	10.32	8.22	8.18	7.96	7.53	-0.69	-0.65	-0.43
6-month	10.08	8.01	8.25	7.89	7.44	-0.57	-0.81	-0.45
Eurodollar deposits ⁴								
1-month	10.19	8.38	8.13	7.81	7.81	-0.57	-0.32	0.00
3-month	10.50	8.25	8.19	7.94	7.56	-0.69	-0.63	-0.38
Bank prime rate	11.50	10.50	10.00	10.00	10.00	-0.50	0.00	0.00
Intermediate- and long-term rates								
U.S. Treasury (constant maturity)								
3-year	9.88	7.69	8.50	7.70	7.42	-0.27	-1.08	-0.28
10-year	9.53	7.77	9.05	8.37	7.98	0.21	-1.07	-0.39
30-year	9.31	7.83	9.17	8.52	8.14	0.31	-1.03	-0.38
Municipal revenue ⁵ (Bond Buyer)	7.95	7.28	7.80	7.53	7.28	0.00	-0.52	-0.25
Corporate--A utility recently offered	10.47	9.29	10.50	10.10	9.85	0.56	-0.65	-0.25
Home mortgage rates ⁶								
S&L fixed-rate	11.22	9.69	10.29	10.09	9.81	0.12	-0.48	-0.28
S&L ARM, 1-yr.	9.31	8.34	8.39	8.09	8.04	-0.30	-0.35	-0.05
Stock prices								
			1989	1990		Percent change from:		
	Record highs	Date	Lows Jan 3	FOMC Nov 13	Dec 13	Record highs	1989 lows	FOMC Nov 13
Dow-Jones Industrial	2999.75	7/16/90	2144.64	2535.40	2614.36	-12.85	21.90	3.11
NYSE Composite	201.13	7/16/90	154.98	173.31	180.06	-10.48	16.18	3.89
AMEX Composite	397.03	10/10/89	305.24	295.56	306.71	-22.75	0.48	3.77
NASDAQ (OTC)	485.73	10/9/89	378.56	352.87	371.50	-23.52	-1.86	5.28
Wilshire	3523.47	10/9/89	2718.59	2968.18	3092.10	-12.24	13.74	4.17

1/ One-day quotes except as noted.

2/ Average for two-week reserve maintenance period closest to date shown. Last observation is average for the maintenance period ending December 12, 1990.

3/ Secondary market.

4/ Bid rates for Eurodollar deposits at 11 a.m. London time.

5/ Based on one-day Thursday quotes and futures market index changes.

6/ Quotes for week ending Friday closest to date shown.