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December 7, 2001

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Supplemental Notes

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The Domestic Financial Economy

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Supplemental Notes

The Domestic Nonfinancial Economy

Labor Market Developments

Employment and unemployment. The labor market deteriorated further in November, as the economy continued to experience widespread job losses and rising unemployment. Employment on private nonfarm payrolls declined by 325,000 last month, and October payrolls were revised down by 48,000, bringing the total job losses thus far in the fourth quarter to 812,000.¹ Since the recent employment peak in 2001:Q1, the private nonfarm sector has shed 1.5 million jobs, comparable to the loss experienced from 1990:Q2 through 1991:Q2 (one quarter after the official trough). In the household survey, the unemployment rate increased 0.3 percentage point, to 5.7 percent, following a 0.5 percentage point rise last month. The rise over the past three months is the fastest since the fall of 1982.

The manufacturing industry, shedding 163,000 jobs, accounted for the largest share of job losses in employment in November. This was the biggest single monthly decline in factory payrolls since manufacturing employment began to fall in August 2000, and it brought the total job losses in manufacturing since then to nearly 1.4 million. The weakness in the manufacturing sector was widespread, and the manufacturing diffusion index of one-month employment change fell to 25.4 in November, the lowest reading since May 1980. Moreover, wholesale trade and help supply, two industries closely tied to manufacturing, also saw sizable employment losses in November.

Elsewhere, employment declines continued to be heavy in industries most directly affected by the events of September 11. Transportation lost 54,000 jobs, a loss comparable with last month's, with air transportation and transportation services, which includes travel agencies, accounting for nearly all the drop. Similarly, employment in amusement and recreation services posted a 25,000 decline, while hotel and other lodging places lost 7,000 jobs. In contrast, retail trade experienced a much smaller decline in employment last month (-14,000), and health services continued to expand a rapid pace, adding 32,000 jobs—above the average for 2001. Finance, insurance, and real estate also added jobs in November—the third increase in four months—led by

1. These data incorporated the BLS's six-month update to the seasonal adjustment factors for the establishment survey data. The new seasonal factors cover September 2001 through April 2002 and thus were used in putting together the November estimates as well as in calculating the revisions to the September and October data. Most of the revision to the August-September change in employment was due to the change in the seasonal factors, although the fact that the estimates for these months are constructed from inconsistent seasonal factors makes this revision difficult to interpret. The revision to the September-October change, which is based on updated and consistent seasonal factors, was due largely to changes in the unadjusted data.

CHANGES IN EMPLOYMENT
(Thousands of employees; based on seasonally adjusted data)

	2000		2001		2001		
	H1	H2	Q2	Q3	Sept.	Oct.	Nov.
	--Average monthly change--						
Nonfarm payroll employment ¹	267	66	-74	-67	-165	-468	-331
Previous	267	66	-74	-83	-213	-415	
Private	178	121	-113	-118	-141	-487	-325
Mining	1	1	3	1	0	0	-2
Manufacturing	5	-29	-120	-103	-85	-124	-163
Construction	16	21	-22	2	10	-17	-2
Transportation and utilities	13	16	-3	-16	-12	-53	-58
Retail trade	31	21	35	-8	-47	-119	-14
Wholesale trade	9	8	-15	-11	-22	-17	-25
Finance, insurance, real estate	-7	7	4	1	10	-6	9
Services	110	76	4	16	5	-151	-70
Help supply services	15	-19	-44	-18	-7	-101	-87
Total government	90	-54	39	51	-24	19	-6
Total employment (household survey)	114	109	-283	83	788	-619	-478
Nonagricultural	116	115	-227	8	685	-599	-387

Memo:

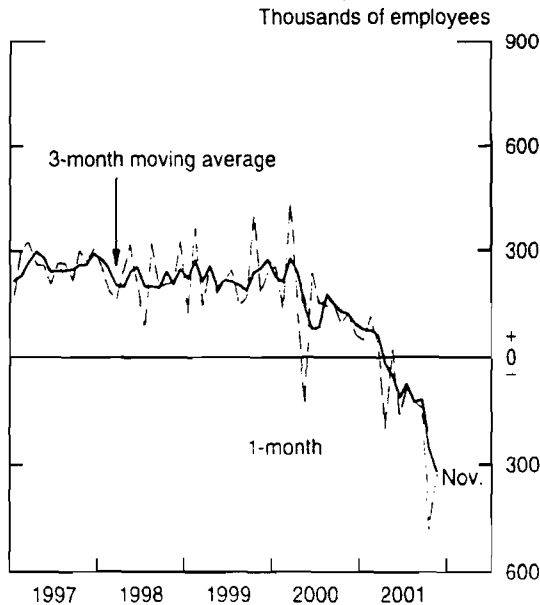
Aggregate hours of private production workers (percent change) ^{1,2}	2.1	0.2	-1.5	-3.0	-0.1	-0.7	-0.1
Average workweek (hours) ¹	34.5	34.3	34.2	34.1	34.1	34.0	34.1
Manufacturing (hours)	41.8	41.3	40.8	40.7	40.6	40.5	40.3

Note. Average change from final month of preceding period to final month of period indicated.

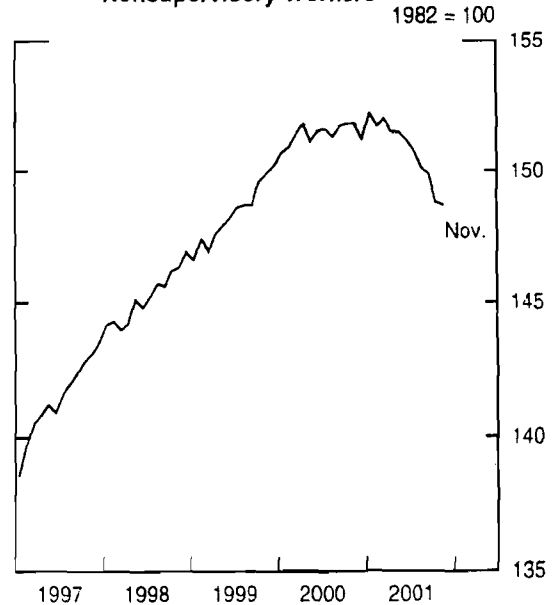
1. Survey of establishments.

2. Semi-annual data are percent change from Q4 to Q2 and from Q2 to Q4 at an annual rate. Quarterly data are percent changes from preceding quarter at an annual rate. Monthly data are percent change from preceding month.

Private Payroll Employment Growth
(Strike-adjusted data)



Aggregate Hours of Production or Nonsupervisory Workers

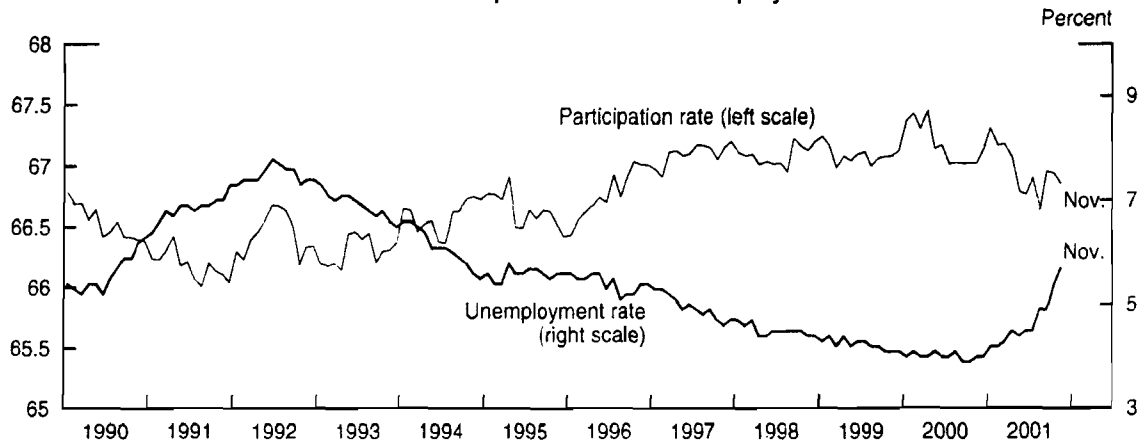


SELECTED UNEMPLOYMENT AND LABOR FORCE PARTICIPATION RATES
(Percent; based on seasonally adjusted data, as published)

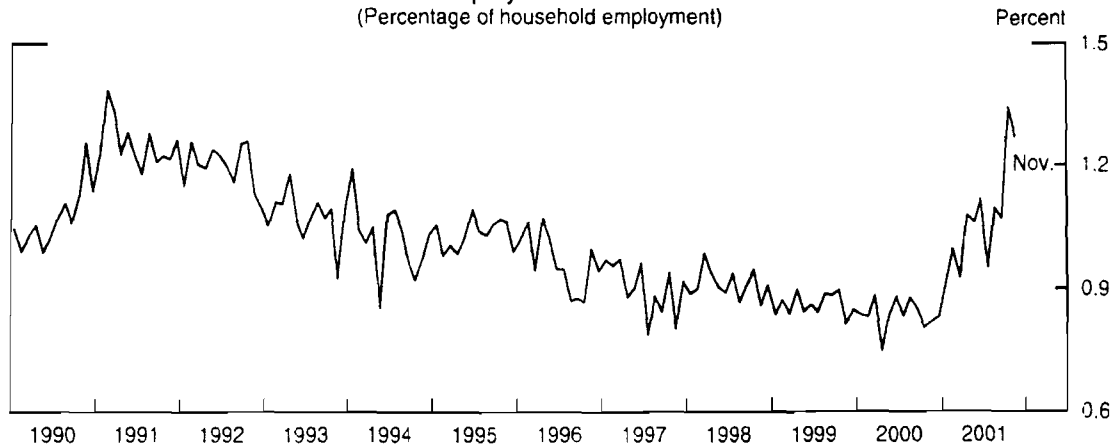
	1999	2000	Q1	2001 Q2	Q3	Sept.	2001 Oct.	Nov.
Civilian unemployment rate (16 years and older)	4.2	4.0	4.2	4.5	4.8	4.9	5.4	5.7
Teenagers	13.9	13.1	13.7	14.0	15.2	14.7	15.5	15.9
20-24 years old	7.5	7.1	7.4	8.1	8.4	8.5	9.5	9.7
Men, 25 years and older	3.0	2.8	3.1	3.4	3.6	3.7	4.2	4.6
Women, 25 years and older	3.3	3.2	3.3	3.4	3.7	3.9	4.3	4.5
Labor force participation rate	67.1	67.2	67.2	66.9	66.8	67.0	66.9	66.9
Teenagers	52.0	52.2	51.3	49.7	49.1	49.8	50.0	49.6
20-24 years old	77.6	77.9	78.2	76.6	77.0	77.6	77.0	77.3
Men, 25 years and older	76.1	76.0	75.9	75.9	75.9	75.9	76.0	75.8
Women, 25 years and older	59.5	59.7	59.9	59.6	59.7	59.7	59.6	59.5
Memo: Potential worker rate ¹	7.2	6.9	7.1	7.4	7.8	7.8	8.4	n.a.

1. The potential worker rate equals the number of civilian unemployed plus those who are not in the labor force and want a job as a percentage of the civilian labor force plus those who are not in the labor force and want a job.

Labor Force Participation Rate and Unemployment Rate



Job Losers Unemployed for Less Than 5 Weeks
(Percentage of household employment)



further hiring at mortgage banks and brokers. Construction lost only 2,000 jobs this month following a large loss last month; however, warm weather may have reduced the pace of layoffs somewhat.

The index of aggregate weekly hours of production or nonsupervisory workers on nonfarm payrolls declined 0.1 percent in November to its lowest level since September 1999. The average workweek edged up 0.1 hour, to 34.1 hours. In contrast, the manufacturing workweek declined 0.2 hour, to 40.3 hours, a level equal to the trough this series reached in March of 1991.

In the household survey, the rise in the unemployment rate was accompanied by a 478,000 drop in household employment. The labor force participation rate held steady at 66.9 percent. The proportion of the unemployed who classified themselves as job losers moved up to 56.4 percent, its highest level since October 1992, while the mean duration of unemployment rose to 14.5 weeks, the longest since May 1998.

Initial claims for unemployment insurance under state programs declined 18,000, to 475,000 for the week ended December 1 from an upward-revised level of 493,000 in the previous week. The four-week moving average of initial claims rose slightly to 461,000.² The level of insured unemployment for the week ended November 24 dropped 349,000, to 3.64 million, more than reversing the jump in the previous week. Similarly, the insured unemployment rate for the week ended November 24 dropped back 0.3 percentage point, to 2.8 percent. Nonetheless, the insured unemployment rate remains at a level not sustained since 1992.

Productivity and labor costs. Output per hour of all persons in the nonfarm business sector is now reported to have increased at an annual rate of 1.5 percent in the third quarter, a downward revision of 1.2 percentage points from the 2.7 percent advance reported in the preliminary release.³ The larger decline in real output in the BEA's preliminary NIPA estimates accounted for almost all of the downward revision. For the four quarters ended in 2001:Q3, productivity rose 1.5 percent, 2-1/2 percentage points less than the increase posted over the four quarters ended in 2000:Q3. However, relative to the

2. Using the Board staff's alternative seasonal factors, initial claims decreased 28,000, to 462,000, and the four-week average of initial claims edged up 5,000, to 456,000.

3. This release incorporated results from the 2000 Hours at Work survey. The results of this survey, which measures the ratio of hours worked to hours paid, led the BLS to revise down the previously estimated increases in hours in both 1999 and 2000. As a result, the increase in output per hour for the four quarters ended in 1999:Q4 was revised up 0.1 percentage point, to 2.9 percent, and the rate for the four quarters ended in 2000:Q4 was revised up 0.3 percentage point, to 2.6 percent.

LABOR PRODUCTIVITY AND COSTS
(Percent change from preceding period at compound annual rate;
based on seasonally adjusted data)

	1999 ¹	2000 ¹	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2000:Q3 to 2001:Q3
<u>Output per hour</u>							
Total business	3.0	2.9	3.0	-.2	2.2	1.1	1.5
Nonfarm business	2.9	2.6	2.3	-.1	2.1	1.5	1.5
Manufacturing	5.5	4.9	2.8	-2.7	-.5	2.5	.5
Nonfinancial corporations ²	2.8	2.9	.7	.5	3.3	2.4	1.7
<u>Compensation per hour</u>							
Total business	4.5	7.9	9.5	5.1	5.2	3.5	5.8
Nonfarm business	4.5	7.8	8.9	4.9	4.7	3.8	5.6
Manufacturing	4.6	9.1	12.7	6.0	6.1	3.6	7.0
Nonfinancial corporations ²	4.5	7.8	9.6	5.5	6.1	4.9	6.5
<u>Unit labor costs</u>							
Total business	1.4	4.9	6.3	5.3	3.0	2.4	4.2
Nonfarm business	1.5	5.0	6.4	5.0	2.6	2.3	4.1
Manufacturing	-.8	4.0	9.7	8.9	6.7	1.1	6.5
Nonfinancial corporations ²	1.6	4.7	8.9	5.0	2.7	2.5	4.7

1. Changes are from fourth quarter of preceding year to fourth quarter of year shown.

2. The nonfinancial corporate sector includes all corporations doing business in the United States with the exception of banks, stock and commodity brokers, finance and insurance companies; the sector accounts for about two-thirds of business employment.

sharp slowing in output, the deceleration in productivity over the past year seems in line with historical experience.

The increase in hourly compensation in the third quarter was revised down 0.7 percentage point to an annual rate of 3.8 percent, significantly below the 4.8 percent pace seen in the first half of this year. Nonetheless, the larger downward revision to productivity led to a 0.5 percentage point upward revision to the rise in unit labor costs last quarter, to an annual rate of 2.3 percent. Over the last four quarters, unit labor costs increased 4.1 percent, about 1-1/2 percentage points more than the increase posted over the previous four quarters.

The first estimate of productivity and costs in the nonfinancial corporate sector for the third quarter of 2001 showed that output per hour in this sector rose at an annual rate of 2.4 percent in the third quarter.⁴ Hourly compensation rose at a 4.9 percent rate in the third quarter, while unit labor costs were up at a rate of 2.5 percent.

Average hourly earnings of production or nonsupervisory workers rose 0.3 percent in November. Since midyear, this measure of wage change has increased at an annual rate of 3.6 percent—down from 4 percent in the first half of the year and 4.3 percent in 2000.

Consumer Sentiment

According to the preliminary report, the Michigan Survey Research Center's (SRC) index of consumer sentiment rose nearly 2 points in early December, following a smaller rise in November. In early December, the current-conditions component of the index was about unchanged at a level only slightly above September's reading. However, the expected-conditions component continued to rise moderately and is currently about 6 points higher than in September.

Among those items not included in the overall index, expectations about the change in unemployment over the next twelve months improved a bit further in December and have now returned to the level of midsummer. Meanwhile, consumers' appraisals of buying conditions for automobiles remained at an elevated level, as manufacturers extended many of their relatively attractive financing incentives. Also, consumers' appraisals of homebuying conditions

4. Today's release incorporated the BEA's revisions to price indexes used to calculate real output for nonfinancial corporations back to the first quarter of 1998. The revisions lowered the estimated rise in output by 0.2 percentage point over the four quarters ended in 1999:Q4, and by 1.6 percentage points over the four quarters ended in 2000:Q4.

December 7, 2001

UNIVERSITY OF MICHIGAN SURVEY RESEARCH CENTER: SURVEY OF CONSUMER ATTITUDES
(Not seasonally adjusted)

	2001 Apr.	2001 May	2001 June	2001 July	2001 Aug.	2001 Sept.	2001 Oct.	2001 Nov.	2001 Dec (p)
Indexes of consumer sentiment (Feb. 1966=100)									
Composite of current and expected conditions	88.4	92.0	92.6	92.4	91.5	81.8	82.7	83.9	85.8
Current conditions	98.0	102.2	101.6	98.6	101.2	94.6	94.0	95.3	95.9
Expected conditions	82.2	85.4	86.9	88.4	85.2	73.5	75.5	76.6	79.3

Personal financial situation									
Now compared with 12 months ago*	110	112	117	114	118	108	107	107	102
Expected in 12 months*	134	129	126	133	127	128	128	134	132
Expected business conditions									
Next 12 months*	92	99	114	115	102	71	77	76	84
Next 5 years*	104	115	109	107	113	95	98	97	101
Appraisal of buying conditions									
Cars	129	133	127	138	132	133	152	164	165
Large household appliances*	143	152	146	141	144	136	136	140	146
Houses	144	154	162	149	154	149	159	161	169
Willingness to use credit									
Willingness to use credit	34	45	43	41	47	39	52	54	36
Willingness to use savings									
Willingness to use savings	55	58	64	60	55	47	62	56	55
Expected unemployment change - next 12 months									
Expected unemployment change - next 12 months	146	138	135	140	142	151	150	143	141
Prob. household will lose a job - next 5 years									
Prob. household will lose a job - next 5 years	21	21	22	24	23	24	21	24	23
Expected inflation - next 12 months									
Mean	3.7	3.9	4.0	3.0	3.1	3.2	1.6	1.0	1.6
Median	3.1	3.2	3.0	2.6	2.7	2.8	1.0	.4	1.6
Expected inflation - next 5 to 10 years									
Mean	3.6	3.6	3.6	3.4	3.6	3.4	2.8	3.2	3.0
Median	3.1	3.0	3.0	2.9	3.0	2.9	2.7	2.8	2.9

* -- Indicates the question is one of the five equally-weighted components of the index of sentiment.
(p) -- Preliminary
(f) -- Final

Note: Figures on financial, business, and buying conditions are the percent reporting 'good times' (or 'better') minus the percent reporting 'bad times' (or 'worse'), plus 100. Expected change in unemployment is the fraction expecting unemployment to rise minus the fraction expecting unemployment to fall, plus 100.

rose noticeably, with more respondents citing low interest rates as a reason to buy.

In December, the mean of expected inflation over the next twelve months rose 0.6 percentage point, to 1.6 percent, reversing its decline in November but remaining near its lowest level since the late 1950s. The median jumped 1.2 percentage points, also to 1.6 percent. By contrast, both the mean and the median of expected inflation over the next five years at 3 and 2.9 percent respectively, were about unchanged in early December.

Manufacturers' Inventories

The book value of manufacturers' inventories decreased at an annual rate of \$23.8 billion in October following a \$51.5 billion liquidation in September. Shipments increased 2.2 percent in October, and the inventory-sales ratio dropped to 1.40 months.

Durable goods inventories fell in every category except aircraft, with the most notable drawdown recorded at manufacturers of computers and electronic products. Although inventory-shipments ratios also moved down for every category except aircraft, stocks generally remain quite bloated relative to shipments, with October stock-to-shipments ratios in most categories exceeding the August reading. Nondurable goods inventories fell at a \$9 billion pace in October, led by a large liquidation at petroleum and coal producers. The inventory-shipments ratio in the nondurable goods sector in October was 1.13 months, greater than the August reading of 1.12 months.

CHANGE IN MANUFACTURING INVENTORIES
(Book value, billions of dollars at annual rate)

	<u>2000</u>	<u>2001</u>			<u>2001</u>			
	Q4	Q1	Q2	Q3	July	Aug.	Sept.	Oct.
Total manufacturing	17.2	-11.9	-34.4	-45.3	-43.1	-41.3	-51.5	-23.8
Excluding aircraft	15.0	-5.2	-32.8	-46.8	-44.4	-43.6	-52.5	-30.1
Durable goods	18.1	-9.6	-25.2	-35.5	-34.6	-30.6	-41.4	-14.5
Nondurable goods	-9	-2.2	-9.2	-9.8	-8.5	-10.8	-10.1	-9.3

MANUFACTURERS' INVENTORY-SHIPMENTS RATIOS

	<u>2000</u>	<u>2001</u>			<u>2001</u>			
	Q4	Q1	Q2	Q3	July	Aug.	Sept.	Oct.
Total manufacturing	1.36	1.38	1.38	1.38	1.38	1.38	1.43	1.40
Excluding aircraft	1.28	1.30	1.30	1.30	1.30	1.30	1.35	1.31
Durable goods	1.55	1.59	1.59	1.60	1.59	1.59	1.67	1.61
Nondurable goods	1.13	1.13	1.12	1.12	1.13	1.12	1.15	1.13

The International Economy

U.S. International Financial Transactions

We noted in the Greenbook that foreign private net purchases of U.S. securities fell substantially in the third quarter, with the falloff particularly strong in September. Preliminary data now in hand indicate that foreign purchases rebounded significantly in October, soaring to \$66 billion (line 4 of the “Summary of U.S. International Transactions” table). The increases came in every major category of security, but demand for agency bonds was most dramatic as foreigners acquired a record \$25 billion of these securities (line 4b). Agency bond issuance remained strong in October and included Freddy Mac’s quarterly euro reference note. Foreigners returned to Treasuries in October and made net acquisitions of \$14 billion (line 4a), largely in Treasury bonds. Net foreign purchases of corporate bonds amounted to \$20 billion (line 4c)—a number more in line with levels recorded before the September terrorist attacks. Foreigners also resumed net purchases of U.S. stocks, buying \$7 billion (line 4b) in contrast to unusual net sales of \$12 billion (revised) in September.

U.S. investors bought net \$4 billion of foreign securities in October (line 5) compared with large net sales in September and the third quarter. The October purchases were mostly in foreign stocks (line 5b).

Foreign official assets in the United States increased \$6 billion in October (line 1). The increase was attributed primarily to Japan.

Summary of U.S. International Transactions
(Billions of dollars, not seasonally adjusted except as noted)

	1999	2000	2001					
			Q4	Q1	Q2	Q3	Sept	Oct
Official financial flows	55.0	39.3	-5.4	4.8	-21.3	13.2	9.6	6.3
1. Change in foreign official assets in the U.S. (increase, -)	46.4	39.6	-4.0	4.6	-20.0	16.8	12.7	5.9
a. G-10 countries	49.7	12.3	-8	-5.5	-6.1	-5.6	1.6	10.5
b. OPEC countries	2.0	10.7	.6	.8	-2.1	-4.7	-3.7	1.5
c. All other countries	-5.3	16.6	-3.8	9.2	-11.8	27.0	14.8	-6.1
2. Change in U.S. official reserve assets (decrease, +)	8.6	-.3	-1.4	.2	-1.3	-3.6	-3.1	.4
Private financial flows	321.7	404.0	119.1	98.7	146.0	n.a.	...	...
Banks								
3. Change in net foreign positions of banking offices in the U.S. ¹	-12.4	-6.8	13.3	-79.9	29.0	-12.1	-36.5	-28.4
Securities²								
4. Foreign net purchases of U.S. securities (+)	333.2	435.7	117.8	148.9	125.8	73.5	.3	66.1
a. Treasury securities	-19.9	-52.4	-10.1	.6	-8.5	-9.2	-4.0	14.2
b. Agency bonds	71.9	111.9	38.3	38.8	29.4	33.1	6.3	25.3
c. Corporate and municipal bonds	158.8	182.1	50.8	68.9	70.4	36.8	9.9	19.6
d. Corporate stocks ³	122.4	194.0	38.8	40.7	34.5	12.8	-11.8	7.1
5. U.S. net acquisitions (-) of foreign securities	-112.9	-101.1	-17.8	-27.1	-43.5	20.8	14.6	-3.8
a. Bonds	-5.7	-4.1	3.3	-2.0	8.8	25.4	10.3	-.7
b. Stock purchases	15.6	-13.1	3.6	-22.6	-18.1	-2.7	4.2	-3.2
c. Stock swaps ³	-122.9	-84.0	-24.7	-2.6	-34.2	-1.8	.0	.0
Other flows (quarterly data, s.a.)								
6. U.S. direct investment (-) abroad	-155.4	-152.4	-39.1	-40.9	-35.6	n.a.	...	...
7. Foreign direct investment in U.S.	301.0	287.7	84.7	52.5	67.2	n.a.	...	...
8. Foreign holdings of U.S. currency	22.4	1.1	6.2	2.3	2.8	n.a.	...	...
9. Other (inflow, +) ⁴	-54.2	-60.0	-46.0	42.9	.3	n.a.	...	...
U.S. current account balance (s.a.)	-324.4	-444.7	-116.3	-111.8	-106.5	n.a.	...	...
Capital account balance (s.a.)⁵	-3.5	.7	.2	.2	.2	n.a.	...	...
Statistical discrepancy (s.a.)	-48.8	.7	2.4	8.1	-18.4	n.a.	...	...

NOTE. The sum of official and private financial flows, the current account balance, the capital account balance, and the statistical discrepancy is zero. Details may not sum to totals because of rounding.

1. Changes in dollar-denominated positions of all depository institutions and bank holding companies plus certain transactions between broker-dealers and unaffiliated foreigners (particularly borrowing and lending under repurchase agreements). Includes changes in custody liabilities other than U.S. Treasury bills.

2. Includes commissions on securities transactions and excludes adjustments BEA makes to account for incomplete coverage; therefore does not match exactly the data on U.S. international transactions published by the Department of Commerce.

3. Includes (4d) or represents (5c) stocks acquired through mergers.

4. Transactions by nonbanking concerns and other banking and official transactions not shown elsewhere plus amounts resulting from adjustments made by the Department of Commerce and revisions in lines 1 through 5 since publication of the quarterly data in the Survey of Current Business

5. Consists of transactions in nonproduced nonfinancial assets and capital transfers.

n.a. Not available. ... Not applicable.

III-T-1
Selected Financial Market Quotations
(One-day quotes in percent except as noted)

Instrument	2000	2001			Change to Dec. 6 from selected dates (percentage points)		
	June 26	Sept. 10	Nov. 5	Dec. 6	2000 June 26	2001 Sept. 10	2001 Nov. 5
<i>Short-term</i>							
FOMC intended federal funds rate	6.50	3.50	2.50	2.00	-4.50	-1.50	-.50
<i>Treasury bills</i> ¹							
3-month	5.66	3.19	1.97	1.72	-3.94	-1.47	-.25
6-month	5.94	3.13	1.91	1.87	-4.07	-1.26	-.04
<i>Commercial paper</i>							
1-month	6.56	3.42	2.11	1.89	-4.67	-1.53	-.22
3-month	6.56	3.24	2.04	1.80	-4.76	-1.44	-.24
<i>Large negotiable CDs</i> ¹							
1-month	6.64	3.46	2.14	1.99	-4.65	-1.47	-.15
3-month	6.73	3.26	2.06	1.92	-4.81	-1.34	-.14
6-month	6.89	3.24	2.02	2.03	-4.86	-1.21	.01
<i>Eurodollar deposits</i> ²							
1-month	6.63	3.41	2.11	1.95	-4.68	-1.46	-.16
3-month	6.69	3.26	2.08	1.91	-4.78	-1.35	-.17
Bank prime rate	9.50	6.50	5.50	5.00	-4.50	-1.50	-.50
<i>Intermediate- and long-term</i>							
<i>U.S. Treasury</i> ³							
2-year	6.54	3.59	2.52	3.20	-3.34	-.39	.68
10-year	6.35	5.14	4.62	5.37	-.98	.23	.75
30-year	6.22	5.55	5.09	5.73	-.49	.18	.64
U.S. Treasury 10-year indexed note	4.09	3.26	2.99	3.55	-.54	.29	.56
Municipal revenue (Bond Buyer) ⁴	5.99	5.25	5.23	5.50	-.49	.25	.27
<i>Private instruments</i>							
10-year swap	7.38	5.62	5.00	5.68	-1.70	.06	.68
10-year FNMA	7.15	5.64	4.89	5.73	-1.42	.09	.84
10-year AA ⁵	7.60	6.30	5.89	6.41	-1.19	.11	.52
10-year BBB ⁵	8.49	7.08	6.93	7.25	-1.24	.17	.32
High yield ⁶	11.97	12.86	13.55	12.59	.62	-.27	-.96
<i>Home mortgages (FHLMC survey rate)</i> ⁷							
30-year fixed	8.14	6.89	6.56	7.02	-1.12	.13	-.46
1-year adjustable	7.22	5.64	5.26	5.22	-2.00	-.42	-.04

Stock exchange index	Record high		2001			Change to Dec. 6 from selected dates (percent)		
	Level	Date	Sept. 10	Nov. 5	Dec. 6	Record high	2001 Sept. 10	2001 Nov. 5
Dow-Jones Industrial	11,723	1-14-00	9,606	9,441	10,099	-13.85	5.14	6.97
S&P 500 Composite	1,527	3-24-00	1,093	1,103	1,167	-23.59	6.82	5.83
Nasdaq (OTC)	5,049	3-10-00	1,695	1,794	2,054	-59.31	21.17	14.53
Russell 2000	606	3-9-00	441	438	482	-20.44	9.42	10.21
Wilshire 5000	14,752	3-24-00	10,104	10,157	10,822	-26.64	7.10	6.55

1. Secondary market.
2. Bid rates for Eurodollar deposits collected around 9:30 a.m. Eastern time.
3. Derived from a smoothed Treasury yield curve estimated using off-the-run securities.
4. Most recent Thursday quote.
5. Derived from smoothed corporate yield curves estimated using Merrill Lynch bond data.
6. Merrill Lynch 175 high-yield bond index composite.
7. For week ending Friday previous to date shown.

NOTES:

June 26, 2000 is the day before the FOMC meeting that ended the most recent period of policy tightening.
September 10, 2001 is the day before the terrorist attacks.
November 5, 2001 is the day before the most recent FOMC meeting.