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CLASS III FOMC

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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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Selected Financial Market Quotations¹
(Percent except as noted)

Instrument	1994		1995		Change to Sep. 21, 1995 from:			
	Feb. 3	High	FOMC,	Sep. 21	1994	1994	FOMC,	
			Aug. 22		Feb. 3	high	Aug. 22	
Short-term Rates								
Federal Funds ²	3.07	5.66	5.72	5.80	2.73	0.14	0.08	
Treasury Bills ³								
3-month	3.13	5.78	5.46	5.24	2.11	-0.54	-0.22	
6-month	3.27	6.38	5.45	5.29	2.02	-1.09	-0.16	
1-year	3.52	6.84	5.54	5.30	1.78	-1.54	-0.24	
Commercial paper								
1-month	3.16	6.13	5.84	5.80	2.64	-0.33	-0.04	
3-month	3.25	6.32	5.83	5.69	2.44	-0.63	-0.14	
Large negotiable CDs ³								
1-month	3.11	6.10	5.77	5.70	2.59	-0.40	-0.07	
3-month	3.25	6.39	5.78	5.68	2.43	-0.71	-0.10	
6-month	3.41	6.89	5.82	5.67	2.26	-1.22	-0.15	
Eurodollar deposits ⁴								
1-month	3.06	6.06	5.78	5.69	2.63	-0.37	-0.09	
3-month	3.25	6.38	5.81	5.69	2.44	-0.69	-0.12	
Bank Prime Rate	6.00	8.50	8.75	8.75	2.75	0.25	0.00	
Intermediate- and Long-term Rates								
U.S. Treasury (constant maturity)								
3-year	4.60	7.82	6.21	5.91	1.31	-1.91	-0.30	
10-year	5.81	8.04	6.57	6.21	0.40	-1.83	-0.36	
30-year	6.31	8.16	6.89	6.56	0.25	-1.60	-0.33	
Municipal revenue (Bond Buyer) ⁵	5.49	7.37	6.44	6.18	0.69	-1.19	-0.26	
Corporate-A Utility, recently offered	7.35	9.05	7.87	7.50	0.15	-1.55	-0.37	
Home mortgages ⁶								
FHLMC 30-yr fixed rate	6.97	9.25	7.94	7.60	0.63	-1.65	-0.34	
FHLMC 1-yr adjustable rate	4.12	6.79	5.95	5.80	1.68	-0.99	-0.15	
Stock Exchange Index								
Stock Exchange Index	Record high		1989	1995		Percentage change to Sep. 21 from:		
	Level	Date	Low, Jan. 3	FOMC, Aug. 22	Sep. 21	Record high	1989 low	FOMC, Aug. 22
Dow-Jones Industrial	4801.80	9/14/95	2144.64	4620.42	4767.40	-0.72	122.29	3.18
NYSE Composite	314.33	9/21/95	154.00	300.16	312.71	-0.52	103.06	4.18
NASDAQ (OTC)	1067.40	9/13/95	378.56	1025.29	1058.51	-0.83	179.61	3.24
Wilshire	5843.27	9/21/95	2718.59	5574.66	5815.15	-0.48	113.90	4.31

1. One-day quotes except as noted.
2. Average for two-week reserve maintenance period closest to date shown. Last observation is average to date for maintenance period ending September 27, 1995.
3. Secondary market.
4. Bid rates for Eurodollar deposits at 11 a.m. London time.
5. Most recent observation based on one-day Thursday quote and futures market index changes.
6. Quotes for week ending Friday previous to date shown.

Commercial Bank Credit and Short- and Intermediate-Term Business Credit
(Percentage change; seasonally adjusted annual rate)¹

Type of credit	1994	1995 Q1	1995 Q2	1995 Jun	1995 Jul	1995 Aug	Level, Aug 1995 (billions of \$)
Commercial bank credit							
1. Total loans and securities	6.8	7.8	13.1	4.8	3.2	5.3	3,519.6
2. Securities	4.9	-5.0	17.4	-1.7	-14.0	8.4	975.6
3. U.S. government	0.0	-6.0	-5.1	-2.0	-13.1	6.9	702.0
4. Other	23.9	-2.1	88.2	-1.3	-15.7	12.4	273.6
5. Loans	7.6	13.0	11.4	7.4	9.9	4.1	2,544.0
6. Business	9.2	16.8	11.1	4.4	7.0	3.1	694.7
7. Real estate	6.4	11.9	7.3	8.4	11.1	5.9	1,061.8
8. Consumer	15.2	12.9	11.7	13.4	8.0	14.0	487.3
9. Security	-17.2	-9.1	69.3	11.4	-26.9	-57.8	79.0
10. Other	3.6	15.0	12.5	-2.2	31.2	.5	221.1
Short- and intermediate-term business credit							
11. Business loans net of bankers acceptances	9.4	17.8	11.6	3.5	6.5	3.9	687.9
12. Loans at foreign branches ²	5.1	17.6	21.9	9.6	14.3	0.0	25.5
13. Sum of lines 11 and 12	9.2	17.7	12.0	3.7	6.8	3.7	713.4
14. Commercial paper issued by nonfinancial firms	1.2	22.1	20.7	-29.1	27.8	30.4	185.9
15. Sum of lines 13 and 14	7.6	18.6	13.7	-3.0	11.0	9.1	899.3
16. Bankers acceptances, U.S. trade-related ^{3,4}	-8.3	-21.2	-4.5	-13.6	-6.9	n.a.	17.3 ⁵
17. Loans at finance companies ⁴	12.6	20.3	14.8	11.6	4.0	n.a.	387.4 ⁵
18. Total (sum of lines 15, 16, and 17)	8.7	18.5	13.7	1.2	8.7	n.a.	1,297.2 ⁵

1. Except as noted, levels are averages of Wednesday data and percentage changes are based on averages of Wednesday data. For years, "percentage change" is percentage change in quarterly average from fourth quarter of preceding year to fourth quarter of specified year. For quarters, it is the percentage change in quarterly average from preceding quarter to specified quarter, annualized. Data are adjusted for breaks caused by reclassification.

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

3. Acceptances that finance U.S. imports, U.S. exports, and domestic shipment and storage of goods.

4. Levels and changes are based on averages of month-end data.

5. July 1995.

n.a. Not available.