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December 14, 1984

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

The index of industrial production increased an estimated 0.4 percent in November following declines of 0.6 percent in September and 0.4 percent in October; output levels for September and October were revised downward. The November production advance reflected a sizable rise in auto assemblies from the strike-reduced rates in the preceding two months. Excluding auto production, the November index was about unchanged. Output of home goods, business equipment and construction supplies decreased again, while production of materials turned up and defense and space equipment continued to advance strongly.

Retail sales

Retail sales are estimated to have increased 1.8 percent in November according to the Census Bureau's advance report, the strongest monthly increase since April. The November sales advance was broadly based, with all major categories of stores showing increases. In particular, spending for such largely discretionary goods as general merchandise and apparel—up 2.6 percent and 3.9 percent, respectively—more than retraced their declines in October. More complete sample counts raised earlier estimates of total sales for September and October. Expenditures in September are now reported to have increased 1.5 percent (rather than 1.2 percent), and outlays in October now show a 0.1 percent increase (instead of a 0.1 percent decline).

Domestic auto sales

Sales of domestic automobiles rebounded to an 8.7 million unit annual rate during the first 10 days of December, following a drop in sales in late November. Taken together, auto sales over the recent 20-day period averaged 7.6 million units, compared with a 7.3 million unit pace experienced from early October to mid-November. All three major domestic manufacturers reported increased sales in early December.

Producer price index

Producer prices of finished goods rose 0.5 percent in November, after declining in the preceding two months. The reversal reflected, in part, a 0.7 percent rise in the index for finished foods--mainly meats and poultry; the food index had shown little change or declines in the previous three months. Prices for a wide variety of other consumer goods also picked up in November. The index of capital equipment prices rose 0.2 percent in November, with increases reported for cars, light trucks, and a number of machinery items. At the intermediate level, the index excluding food and energy rose 0.3 percent--only slightly above the average pace reported earlier in the year.

Retail inventories

The book value of retail trade inventories increased at a \$22 billion annual rate in October, following a \$9 billion rise the preceding month. A jump in auto stocks accounted for nearly half of the October increase. Inventories at general merchandisers--where sales had been weak in October--rose at nearly a \$5 billion annual rate. The inventory-sales ratio in the retail sector edged up to 1.37 in October, the same as the average ratio in the

third quarter. Total manufacturing and trade inventories accumulated at a \$57 billion annual rate in October, slightly higher than the September rate, but about equal to the average rate in the first half of 1984. With total manufacturing and trade sales up only slightly in October, the inventory-sales ratio rose to 1.38, compared with 1.33 in the first half of the year.

INDUSTRIAL PRODUCTION
(Percentage change from preceding period;
based on seasonally adjusted data)

| | 1984 | | 1984 | | |
|--------------------------------------|-----------------------|------|--------------------|------|------|
| | Q2 | Q3 | Sept. | Oct. | Nov. |
| | -----Annual rate----- | | ---Monthly rate--- | | |
| Total | 8.6 | 6.3 | -.6 | -.4 | .4 |
| (Excluding motor vehicles and parts) | 9.3 | 6.0 | -.4 | -.4 | .1 |
| Final products | 8.9 | 8.8 | -.4 | .0 | .6 |
| Consumer goods | 6.0 | 1.5 | -.6 | .1 | 1.0 |
| Durable | -1.4 | -1.0 | -1.8 | -.9 | 2.5 |
| Nondurable | 9.1 | 2.5 | .0 | .4 | .4 |
| Business equipment | 13.4 | 23.1 | -.6 | -.8 | -.3 |
| Defense and space equipment | 12.8 | 12.0 | 1.2 | 1.4 | .9 |
| Construction supplies | 7.6 | 1.7 | -1.1 | -.4 | -.3 |
| Materials | 8.6 | 3.2 | -.8 | -1.0 | .5 |
| Durable goods | 11.7 | 6.2 | -.9 | -.9 | .5 |
| Nondurable goods | 6.3 | -1.2 | -1.0 | .0 | .3 |
| Energy materials | 3.7 | 2.2 | -.4 | -2.9 | .5 |

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Retail Sales
(Seasonally adjusted percentage change)

| | 1984 | | | Nov./ Q3 | 1984 | | |
|--|------|-----|------|-------------|------|------|-------|
| | Q1 | Q2 | Q3 | | Sept | Oct | Nov |
| Total sales | 3.5 | 2.9 | -0.9 | 2.7 | 1.5 | .1 | 1.8 |
| (REAL) <1> | 2.7 | 3.0 | -1.3 | | 1.3 | -.2 | |
| Total less automotive group, nonconsumer stores, and gasoline stations | 3.0 | 2.5 | .5 | 2.0 | 2.2 | -1.3 | 1.9 |
| GAF <2> | 3.2 | 3.9 | -.6 | 2.8 | 4.0 | -2.3 | 2.4 |
| Durable | 5.1 | 4.3 | -2.4 | 5.4 | .7 | 3.7 | 1.7 |
| Automotive group | 5.7 | 4.6 | -4.4 | 5.9 | .5 | 5.9 | 1.0 |
| Furniture and appliances | 3.5 | 3.8 | 1.4 | 2.9 | 4.9 | -1.2 | .5 |
| Nondurable | 2.7 | 2.1 | .0 | 1.3 | 2.0 | -1.7 | 1.8 |
| Apparel | 2.4 | 6.3 | -3.2 | 2.7 | 4.6 | -3.2 | 3.9 |
| Food | 2.2 | 2.3 | 1.0 | 2.3 | 2.8 | -1.4 | 2.4 |
| General merchandise <3> | 3.4 | 3.0 | -.3 | 2.8 | 3.5 | -2.3 | 2.6 |
| Gasoline stations | .3 | 1.4 | -3.4 | 2.3 | .8 | -.3 | 2.0 |

<1> BCD series 59. Data are available approximately 3 weeks following the retail sales release.

<2> General merchandise, apparel, furniture and appliance stores.

<3> General merchandise excludes mail order nonstores; mail order sales are also excluded in the GAF grouping.

..... Data are unavailable because of a future release date.

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

| | Relative Importance Dec. 1983 | 1982 | 1983 | 1984 | | | 1984 | |
|-------------------------------------|-------------------------------------|------|------|-----------------|-------|-------|------------------|------|
| | | | | Q1 | Q2 | Q3 | Oct. | Nov. |
| | | | | --Annual rate-- | | | --Monthly rate-- | |
| Finished goods | 100.0 | 3.7 | .6 | 5.7 | -.4 | .4 | -.2 | .5 |
| Consumer foods | 24.0 | 2.1 | 2.3 | 16.9 | -8.5 | 3.3 | .1 | .7 |
| Consumer energy | 12.0 | -.1 | -9.2 | -8.1 | 7.5 | -16.7 | 1.5 | .6 |
| Other consumer goods | 41.9 | 5.3 | 1.9 | 4.5 | 1.3 | 2.5 | -.5 | .5 |
| Capital equipment | 22.2 | 3.9 | 1.9 | 3.8 | 2.3 | 2.9 | -.6 | .2 |
| Intermediate materials ² | 94.8 | .2 | 1.5 | 2.9 | 3.3 | -1.0 | .2 | .3 |
| Exc. energy | 79.5 | .6 | 3.0 | 3.8 | 2.0 | .4 | .2 | .3 |
| Crude food materials | 52.8 | 1.5 | 8.0 | 12.5 | -21.7 | -4.9 | -1.1 | 4.9 |
| Crude energy | 31.3 | 2.6 | -4.6 | -1.6 | 4.0 | 1.0 | -.3 | -.9 |
| Other crude materials | 15.9 | -7.6 | 15.5 | -9.7 | 31.6 | -14.0 | -1.5 | -1.5 |

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

CHANGES IN MANUFACTURING AND TRADE INVENTORIES
(Billions of dollars at annual rates)

| | 1984 | | | 1984 | | |
|------------------------------|------|------|------|------|--------------------|-------------------|
| | Q1 | Q2 | Q3 | Aug. | Sept. ^r | Oct. ^p |
| <u>Book value basis</u> | | | | | | |
| Total | 73.7 | 56.3 | 55.1 | 61.8 | 49.2 | 56.6 |
| Manufacturing | 27.8 | 40.4 | 31.6 | 42.1 | 22.2 | 14.6 |
| Wholesale trade | 13.6 | 10.1 | 16.8 | 5.4 | 18.3 | 19.6 |
| Retail trade | 32.3 | 5.8 | 6.7 | 14.4 | 8.7 | 22.4 |
| Automotive | 10.5 | -4.3 | 1.8 | 5.5 | 9.3 | 9.6 |
| Ex. auto | 21.8 | 10.1 | 4.9 | 8.9 | -.6 | 12.8 |
| <u>Constant dollar basis</u> | | | | | | |
| Total | 24.4 | 19.7 | 23.6 | 26.4 | 19.2 | -- |
| Manufacturing | 9.1 | 13.8 | 12.6 | 15.2 | 10.8 | -- |
| Wholesale trade | 3.9 | 4.1 | 7.9 | 8.0 | 4.4 | -- |
| Retail trade | 11.4 | 1.7 | 3.1 | 3.3 | 3.9 | -- |
| Automotive | 3.8 | -3.0 | .2 | -.1 | 2.7 | -- |
| Ex. auto | 7.7 | 4.7 | 2.9 | 3.3 | 1.2 | -- |

r--revised estimates.

p--preliminary estimates.

INVENTORIES RELATIVE TO SALES¹

| | Cyclical | | 1984 | | | 1984 | | |
|------------------------------|-------------------------------|-----------|------|------|------|------|--------------------|-------------------|
| | Reference Points ² | | Q1 | Q2 | Q3 | Aug. | Sept. ^r | Oct. ^p |
| | 1981 Low | 1982 High | | | | | | |
| <u>Book value basis</u> | | | | | | | | |
| Total | 1.39 | 1.53 | 1.33 | 1.33 | 1.36 | 1.35 | 1.37 | 1.38 |
| Manufacturing | 1.60 | 1.77 | 1.44 | 1.47 | 1.49 | 1.48 | 1.50 | 1.51 |
| Wholesale trade | 1.06 | 1.28 | 1.11 | 1.09 | 1.14 | 1.13 | 1.14 | 1.16 |
| Retail trade | 1.36 | 1.44 | 1.37 | 1.34 | 1.37 | 1.37 | 1.36 | 1.37 |
| Automotive | 1.59 | 1.88 | 1.49 | 1.37 | 1.46 | 1.44 | 1.48 | 1.43 |
| Ex. auto | 1.29 | 1.36 | 1.34 | 1.33 | 1.35 | 1.36 | 1.33 | 1.36 |
| <u>Constant dollar basis</u> | | | | | | | | |
| Total | 1.62 | 1.75 | 1.52 | 1.51 | 1.55 | 1.53 | 1.55 | -- |
| Manufacturing | 1.91 | 2.11 | 1.73 | 1.76 | 1.79 | 1.76 | 1.80 | -- |
| Wholesale trade | 1.34 | 1.52 | 1.33 | 1.30 | 1.36 | 1.34 | 1.37 | -- |
| Retail trade | 1.34 | 1.44 | 1.34 | 1.31 | 1.34 | 1.34 | 1.33 | -- |
| Automotive | 1.49 | 1.81 | 1.38 | 1.27 | 1.32 | 1.30 | 1.33 | -- |
| Ex. auto | 1.28 | 1.37 | 1.33 | 1.33 | 1.35 | 1.36 | 1.33 | -- |

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 coincident.

r--revised estimates.

p--preliminary estimates.

MONETARY AGGREGATES
(Based on seasonally adjusted data unless otherwise noted)¹

| | 1983 | | 1984 | | | Growth from Q4 1983 to Nov. 1984P | |
|--|------|------|------|-------|-------|---|--|
| | Q4 | Q1 | Q2 | Q3 | Oct. | | Nov.P |
| ----- Percentage change at annual rates ----- | | | | | | | |
| 1. M1 | 4.8 | 7.2 | 6.2 | 4.5 | -7.4 | 8.6 | 5.0 |
| 2. M2 | 8.5 | 6.9 | 6.9 | 6.2 | 6.0 | 14.9 | 7.5 |
| 3. M3 | 9.9 | 8.9 | 10.3 | 8.2 | 10.7 | 15.9 | 10.0 |
| | | | | | | | Levels in billions of dollars Nov. 1984P |
| <u>Selected components</u> | | | | | | | |
| 4. Currency | 9.7 | 8.7 | 7.2 | 7.6 | 3.8 | 2.3 | 157.5 |
| 5. Demand deposits | -0.5 | 1.2 | 3.4 | 0.2 | -12.7 | 9.8 | 245.8 |
| 6. Other checkable deposits | 9.6 | 16.2 | 9.9 | 8.8 | -10.2 | 13.8 | 141.2 |
| 7. M2 minus M1 ² | 9.7 | 6.8 | 7.1 | 6.8 | 10.2 | 16.9 | 1796.8 |
| 8. Overnight RPs and Eurodollars, NSA ³ | 23.4 | 19.3 | -7.5 | -1.4 | 0.0 | 23.2 | 57.9 |
| 9. General purpose and broker/dealer money market mutual fund shares, NSA | -1.2 | 9.8 | 15.5 | 10.6 | 28.4 | 50.9 | 162.1 |
| 10. Commercial banks | 12.4 | 5.4 | 6.7 | 7.3 | 7.7 | 16.0 | 766.9 |
| 11. Savings deposits, SA, plus MMDAs, NSA ⁴ | 5.9 | 6.5 | 4.9 | -3.4 | 8.8 | 27.1 | 380.8 |
| 12. Small time deposits | 19.3 | 4.4 | 8.6 | 18.4 | 6.6 | 5.3 | 386.1 |
| 13. Thrift institutions | 7.3 | 6.4 | 6.2 | 7.8 | 11.5 | 8.4 | 818.3 |
| 14. Savings deposits, SA, plus MMDAs, NSA ⁴ | -7.0 | -0.9 | 2.5 | -13.2 | -2.7 | 3.5 | 312.8 |
| 15. Small time deposits | 18.8 | 11.8 | 8.9 | 22.7 | 20.5 | 11.5 | 505.5 |
| 16. M3 minus M2 ⁵ | 15.9 | 17.5 | 24.7 | 16.2 | 29.1 | 19.8 | 608.8 |
| 17. Large time deposits | 15.7 | 25.0 | 31.6 | 26.3 | 24.4 | 9.9 | 404.2 |
| 18. At commercial banks, net ⁶ | -0.4 | 10.2 | 24.3 | 21.6 | 20.0 | -5.5 | 260.9 |
| 19. At thrift institutions | 58.1 | 59.0 | 46.4 | 35.7 | 32.0 | 39.8 | 143.3 |
| 20. Institution-only money market mutual fund shares, NSA | 17.4 | 11.1 | 8.1 | 9.7 | 135.6 | 140.2 | 58.3 |
| 21. Term RPs, NSA | 50.0 | 18.4 | 41.8 | 15.3 | 31.5 | 47.0 | 69.0 |
| 22. Term Eurodollars, NSA | -4.4 | 4.9 | -0.4 | -29.3 | -54.7 | 28.7 | 81.4 |
| -- Average monthly change in billions of dollars -- | | | | | | | |
| <u>MEMORANDA:</u> | | | | | | | |
| 23. Managed liabilities at commercial banks (24+25) | 5.3 | 4.6 | 7.0 | 2.5 | 8.1 | 6.5 | 440.2 |
| 24. Large time deposits, gross | 0.1 | 2.0 | 7.9 | 0.0 | 5.1 | 0.5 | 318.4 |
| 25. Nondeposit funds | 5.2 | 2.6 | -0.9 | 2.5 | 3.0 | 6.0 | 121.8 |
| 26. Net due to related foreign institutions, NSA | 3.2 | 1.9 | 0.9 | -0.4 | 2.2 | 0.6 | -32.4 |
| 27. Other ⁷ | 2.1 | 0.6 | -1.8 | 2.9 | 0.8 | 5.4 | 154.2 |
| 28. U.S. government deposits at commercial banks ⁸ | -1.2 | 1.2 | -1.3 | 1.2 | -8.2 | 8.7 | 17.0 |

1. Quarterly growth rates are computed on a quarterly average basis. Dollar amounts shown under memoranda for quarterly changes are calculated on an end-month-of-quarter basis.
2. Nontransactions M2 is seasonally adjusted as a whole.
3. Overnight and continuing contract RPs issued to the nonbank public by commercial banks plus overnight Eurodollar deposits issued by branches of U.S. banks to U.S. nonbank customers, both net of amounts held by money market mutual funds. Excludes retail RPs, which are in the small time deposit component.
4. Growth rates are for savings deposits, seasonally adjusted, plus money market deposit accounts (MMDAs), not seasonally adjusted. Commercial bank savings deposits excluding MMDAs declined during October and November at rates of 6.7 and 4.8 percent respectively. At thrift institutions, savings deposits excluding MMDAs decreased in October and November at rates of 5.5 and 4.2 percent respectively.
5. The non-M2 component of M3 is seasonally adjusted as a whole.
6. Net of large-denomination time deposits held by money market mutual funds and thrift institutions.
7. Consists of borrowings 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 borrowings from the Federal Reserve and unaffiliated foreign banks), loans sold to affiliates, loan RPs and other minor items. Data are partially estimated.
8. Consists of Treasury demand deposits at commercial banks and Treasury note balances.
- P--preliminary.

SELECTED FINANCIAL MARKET QUOTATIONS¹
(Percent)

| | 1982/1983 | 1984 | 1984 | | | | Change from: | |
|--|-----------------|---------|--------------------|--------------------|--------------------------|----------------------|----------------|----------------|
| | Cyclical low | highs | FOMC Oct. 2 | FOMC Nov. 7 | Inter- meeting low | Dec.13 | 1984 highs | FOMC Nov. 7 |
| <u>Short-term rates</u> | | | | | | | | |
| Federal funds ² | 8.42 | 11.63 | 10.60 | 9.80 | -- | 8.92 | -2.71 | -.88 |
| Treasury bills | | | | | | | | |
| 3-month | 7.08 | 10.67 | 10.25 | 8.55 | -- | 8.29 | -2.38 | -.26 |
| 6-month | 7.62 | 10.77 | 10.35 | 8.86 | 8.45 | 8.45 | -2.32 | -.41 |
| 1-year | 7.73 | 11.13 | 10.39 | 9.11 | 8.67 | 8.78 | -2.35 | -.33 |
| Commercial paper | | | | | | | | |
| 1-month | 8.00 | 11.42 | 10.83 | 8.99 | 8.52 | 8.62 | -2.80 | -.37 |
| 3-month | 7.97 | 11.35 | 10.79 | 9.05 | 8.58 | 8.67 | -2.68 | -.38 |
| Large negotiable CDs ³ | | | | | | | | |
| 1-month | 8.08 | 11.52 | 10.94 | 9.13 | 8.61 | 8.71 | -2.81 | -.42 |
| 3-month | 8.13 | 11.79 | 11.11 | 9.23 | 8.72 | 8.81 | -2.98 | -.42 |
| 6-month | 8.20 | 12.30 | 11.29 | 9.39 | 8.88 | 9.03 | -3.27 | -.36 |
| Eurodollar deposits ⁴ | | | | | | | | |
| 1-month | 8.68 | 11.89 | 11.09 | 9.60 | 8.84 | 8.88 | -3.01 | -.72 |
| 3-month | 8.71 | 12.20 | 11.41 | 9.75 | -- | 9.14 | -3.06 | -.61 |
| Bank prime rate | 10.50 | 13.00 | 12.75 | 12.00 | -- | 11.25 | -1.75 | -.75 |
| Treasury bill futures | | | | | | | | |
| Mar. 1985 contract | 9.05 | 12.57 | 10.59 | 9.16 | 8.56 | 8.69 | -3.88 | -.47 |
| Dec. 1985 contract | 10.86 | 13.20 | 11.43 | 10.23 | 9.67 | 9.93 | -3.27 | -.30 |
| <u>Intermediate- and long-term rates</u> | | | | | | | | |
| U.S. Treasury (constant maturity) | | | | | | | | |
| 3-year | 9.33 | 13.49 | 12.29 | 11.05 | 10.56 | 10.72 | -2.77 | -.33 |
| 10-year | 10.12 | 13.99 | 12.54 | 11.72 | 11.24 | 11.70 | -2.29 | -.02 |
| 30-year | 10.27 | 13.94 | 12.35 | 11.63 | 11.32 | 11.67 | -2.27 | -.04 |
| Municipal revenue (Bond Buyer index) | 9.21 | 11.44 | 10.65 ⁵ | 10.62 | -- | 10.44 | -1.00 | -.18 |
| Corporate--A utility Recently offered | 11.64 | 15.30 | 13.90 ^e | 13.09 ^e | 12.77 | 12.93 ^e | -2.37 | -.16 |
| Home mortgage rates | | | | | | | | |
| S&L fixed-rate | 12.55 | 14.68 | 14.26 ⁶ | 13.74 ⁶ | -- | 13.20 ⁶ | -1.48 | -.54 |
| FNMA ARM, 1-yr. | 10.49 | 13.70 | 12.90 ⁶ | 11.55 ⁶ | -- | 11.05 ⁶ | -2.65 | -.50 |
| | 1982 | 1983 | 1984 | | | Percent change from: | | |
| | Lows | Highs | FOMC Oct. 2 | FOMC Nov. 7 | Dec. 13 | FOMC Oct. 2. | FOMC Nov. 7 | |
| <u>Stock prices</u> | | | | | | | | |
| Dow-Jones Industrial | 776.92 | 1287.20 | 1191.36 | 1233.22 | 1168.84 | -1.9 | -5.2 | |
| NYSE Composite | 58.80 | 99.63 | 94.38 | 97.46 | 93.42 | -1.0 | -4.1 | |
| AMEX Composite | 118.65 | 249.03 | 212.77 | 212.29 | 200.40 | -5.8 | -5.6 | |
| NASDAQ (OTC) | 159.14 | 328.91 | 246.10 | 249.75 | 238.08 | -3.3 | -4.7 | |

1. One-day quotes except as noted.

2. Averages for two-week reserve maintenance period closest to date shown. Last observation is for maintenance period ended December 5, 1984.

3. Secondary market.

4. Averages for statement week closest to date shown.

5. One-day quotes for preceding Thursday.

6. One-day quotes for preceding Friday.
e--estimated.

December 14, 1984

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

| | 1984 ² | | | | | Levels in bil. of dollars | |
|---|-------------------|-------|-------|--------------------|--------------------|------------------------------|-------------------|
| | Q1 | Q2 | Q3 | Sept. ⁷ | Oct. ⁷ | Nov. ^P | Nov. ^P |
| ----- Commercial Bank Credit ----- | | | | | | | |
| 1. Total loans and securities at banks ³ | 13.9 | 7.2 | 8.1 | 7.3 | 7.4 | 12.1 | 1712.5 |
| 2. Securities | 4.4 | -9.2 | 4.4 | 0.8 | -2.5 | 3.6 | 434.9 |
| 3. Treasury securities | -2.3 | -11.1 | 4.4 | -7.1 | -5.9 | 3.9 | 183.4 |
| 4. Other securities | 9.5 | -7.9 | 4.5 | 6.7 | -0.5 | 3.3 | 251.5 |
| 5. Total loans ³ | 17.5 | 13.1 | 9.4 | 9.5 | 10.9 | 15.0 | 1277.7 |
| 6. Business loans ³ | 18.9 | 17.1 | 7.7 | 3.5 | 10.1 | 8.5 | 470.3 |
| 7. Security loans | -4.4 | -38.5 | 19.7 | 177.6 | 89.1 | 52.4 | 28.7 |
| 8. Real estate loans | 13.4 | 14.5 | 11.3 | 11.1 | 11.0 | 11.6 | 376.5 |
| 9. Consumer loans | 21.5 | 21.6 | 14.8 | 8.6 | 10.0 | 16.9 | 258.7 |
| ----- Short- and Intermediate-Term Business Credit ----- | | | | | | | |
| 10. Business loans net of bankers acceptances | 18.2 | 17.3 | 8.0 | 5.1 | 10.0 | 9.2 | 461.0 |
| 11. Commercial paper issued by non-financial firms ⁴ | 22.8 | 67.1 | 43.8 | 32.3 | 70.3 | 54.1 | 71.8 |
| 12. Sum of lines 10 & 11 | 18.7 | 22.5 | 12.0 | 8.6 | 17.1 | 14.9 | 532.8 |
| 13. Line 12 plus loans at foreign branches ⁵ | 18.5 | 22.5 | 11.7 | 7.0 | 15.6 | 15.8 | 553.1 |
| 14. Total bankers acceptances outstanding ⁶ | -22.2 | 45.4 | -11.8 | -26.7 | -36.4 ⁸ | n.a. | n.a. |
| 15. Line 13 plus total bankers acceptances outstanding | 12.9 | 25.3 | 8.6 | 2.8 | 9.1 ⁸ | n.a. | n.a. |
| 16. Finance company loans to business ⁶ | 28.8 | 8.4 | 12.9 | 13.8 | n.a. | n.a. | n.a. |
| 17. Total short- and intermediate-term business credit (sum of lines 15 and 16) | 15.1 | 22.9 | 9.2 | 4.2 | n.a. | n.a. | n.a. |

n.a.--not available. p--preliminary.

1. Average of Wednesdays for domestically chartered banks and average of current and preceding ends of months for foreign-related institutions.

2. Growth rates beginning 1984 have been estimated after adjusting for major changes in reporting panels and definitions that caused breaks in series at the beginning of January. Data should be regarded as highly preliminary.

3. Loans include outstanding amounts of loans reported as sold outright to a bank's own foreign branches, unconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and unconsolidated nonbank subsidiaries of the holding company.

4. Average of Wednesdays.

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

6. Based on average of current and preceding ends of month.

7. Growth rates for total loans and investments, total loans, business loans, and real estate loans have been adjusted to eliminate effects of loan reclassifications and of loan transfers from Continental Illinois National Bank to the FDIC.

8. Reporting panel change in October 1984 reduced reported acceptances by \$400 million. Growth rates have been adjusted to eliminate this break in series.

INTERNATIONAL DEVELOPMENTS

On December 13 the German Bundesbank announced its monetary target for 1985. Central Bank Money is targeted to grow between 3 and 5 percent from the fourth quarter of 1984 to the fourth quarter of 1985. The target for 1984 is 4 to 6 percent. CBM growth through November has been 4.7 percent. In a comment, the Bundesbank said that the new target accommodates continued money growth at the current rate and does not represent a change in monetary policy.

On December 14 the Swiss National Bank announced that its monetary target for 1985 would be 3 percent growth in adjusted central bank money, unchanged from the 1984 target. It appears that actual money growth this year will be slightly below target, with adjusted central bank money up 2.4 percent through September.