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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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SUPPLEMENTAL NOTES

THE FINANCIAL ECONOMY

U.S. International Trade in Goods and Services

In October, the U.S. nominal trade deficit in goods and services was \$14.2 billion, about the same as in September, and somewhat smaller than the third-quarter average.

The value of exports rose strongly in October to a level that was 5 percent higher (not an annual rate) than the third quarter average. The largest increases were in machinery, agricultural products, industrial supplies, and automotive exports to Canada. Exports to various developing countries in Asia have moved up in recent months, particularly to China, Korea, Taiwan, and Malaysia.

The value of imports increased in October to a level that was 3 percent above the third-quarter average. All major trade categories posted increases, with the largest rises in capital goods, automotive products from Canada and Mexico, and oil (about half of which was the result of a higher price). Imports of steel were little changed from September at a level about 2 percent less the third-quarter average.

Prices of U.S. Non-oil Imports and Exports

Prices of non-oil imports edged up in October and November, marking the first time since 1995 that these prices increased two months in a row. Nonetheless, for October-November combined, non-oil import prices were down 1/2 percent (annual rate) from the third-quarter average. This was the smallest decline recorded since the fourth quarter of 1996. Excluding oil, computers, and semiconductors, prices of "core" goods imports rose 1/2 percent (annual rate). For all major trade categories except computers and non-oil industrial supplies,

prices of imports swung from declines in previous quarters to increases in October-November. Prices of imported non-oil industrial supplies declined on average, with a sharp decline in October being partly offset by a small increase in November. BLS indicated that recent shifts in the dollar (especially against the yen and European currencies) influenced price movements, particularly for finished goods.

Prices of exports declined in October and then rose slightly in November (the first increase recorded since May). An increase in prices of agricultural exports (particularly grains and oilseed) more than offset small price declines in other trade categories (especially industrial supplies and semiconductors). For October-November combined, prices of exports declined 2-1/4 percent (annual rate) from the third-quarter average. Excluding agricultural products, computers, and semiconductors, prices of exported "core" goods decreased 1 percent (annual rate), the smallest rate of decline since the fourth quarter of 1997. Declines in prices of exported industrial supplies were nearly offset by increases in prices of exported automotive products and consumer goods.

Trade in Goods and Services: Summary
(in billions of dollars, seasonally adjusted)

	NIPA Real Net Exports G & S */ (1)	From the Monthly Press Release 1/								
		Balance			Exports			Imports		
		G&S	Merch.	Serv.	G&S	Merch.	Serv.	G&S	Merch.	Serv.
Years	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
1996	-111.3	-108.6	-191.3	82.8	850.8	612.0	238.8	959.4	803.3	156.0
1997	-136.2	-110.2	-198.0	87.7	937.6	679.3	258.3	1047.8	877.3	170.5
Quarters (AR):										
1997 Qtr 1	-121.5	-112.5	-198.9	86.4	904.7	654.0	250.7	1017.3	852.9	164.4
2	-131.6	-106.1	-196.4	90.3	936.1	677.0	259.1	1042.1	873.3	168.8
3	-142.4	-108.4	-197.2	88.8	951.7	689.2	262.5	1060.2	886.4	173.8
4	-149.0	-113.8	-199.4	85.5	957.8	697.1	260.7	1071.7	896.5	175.2
1998 Qtr 1	-198.5	-140.0	-222.8	82.8	946.2	685.9	260.3	1086.2	908.7	177.5
2	-245.2	-175.5	-257.8	82.3	922.3	659.3	263.0	1097.8	917.1	180.8
3	-253.9	-183.8	-258.3	74.4	909.8	654.8	255.0	1093.6	913.0	180.6
Monthly Rates:										
1996 Jan		-8.4	-14.8	6.4	68.4	49.5	18.9	76.8	64.3	12.5
Feb		-6.8	-12.8	6.0	69.8	51.0	18.9	76.6	63.8	12.8
Mar		-7.9	-15.0	7.1	70.2	50.4	19.8	78.1	65.4	12.7
Apr		-9.4	-16.0	6.5	69.9	50.5	19.4	79.3	66.4	12.8
May		-10.2	-17.2	7.0	70.8	50.8	20.1	81.0	68.0	13.0
Jun		-8.6	-15.7	7.1	70.7	50.9	19.8	79.3	66.5	12.7
Jul		-11.5	-17.2	5.7	68.5	49.4	19.1	80.0	66.6	13.4
Aug		-10.6	-16.9	6.3	70.6	51.1	19.5	81.2	68.0	13.2
Sep		-11.0	-17.4	6.4	70.2	50.8	19.5	81.2	68.2	13.0
Oct		-7.0	-15.1	8.1	74.1	52.7	21.4	81.1	67.8	13.3
Nov		-7.2	-15.5	8.3	74.8	53.2	21.5	81.9	68.7	13.2
Dec		-10.0	-17.8	7.8	72.8	51.8	21.0	82.8	69.6	13.3
1997 Jan		-10.3	-17.5	7.2	73.4	52.7	20.8	83.8	70.2	13.6
Feb		-9.4	-16.5	7.1	75.1	54.3	20.8	84.5	70.8	13.7
Mar		-8.4	-15.8	7.4	77.7	56.5	21.2	86.0	72.3	13.8
Apr		-9.0	-16.5	7.6	77.8	56.3	21.4	86.7	72.8	13.9
May		-9.4	-17.0	7.6	77.8	56.1	21.7	87.2	73.1	14.1
Jun		-8.2	-15.6	7.5	78.5	56.8	21.7	86.6	72.4	14.2
Jul		-8.6	-15.9	7.3	79.1	57.5	21.6	87.7	73.3	14.4
Aug		-9.3	-16.9	7.6	79.1	57.1	22.0	88.4	74.0	14.4
Sep		-9.2	-16.5	7.3	79.7	57.7	22.0	88.9	74.3	14.7
Oct		-8.7	-16.3	7.6	80.6	58.5	22.1	89.2	74.7	14.5
Nov		-9.6	-16.6	7.0	79.1	57.5	21.6	88.7	74.1	14.6
Dec		-10.2	-17.0	6.8	79.8	58.3	21.4	90.0	75.3	14.7
1998 Jan		-9.9	-17.1	7.2	79.7	57.9	21.8	89.6	75.0	14.6
Feb		-11.6	-18.1	6.5	77.8	56.4	21.5	89.4	74.5	15.0
Mar		-13.5	-20.5	7.0	79.1	57.2	21.8	92.6	77.7	14.8
Apr		-14.0	-21.3	7.3	77.7	55.3	22.4	91.7	76.7	15.1
May		-15.6	-22.6	6.9	76.7	54.7	21.9	92.3	77.3	15.0
Jun		-14.2	-20.5	6.3	76.2	54.8	21.5	90.4	75.3	15.1
Jul		-14.9	-21.0	6.1	75.0	53.8	21.2	89.9	74.9	15.1
Aug		-16.7	-22.7	6.1	75.0	53.9	21.1	91.7	76.6	15.1
Sep		-14.4	-20.8	6.4	77.5	56.0	21.5	91.8	76.8	15.0
Oct		-14.2	-20.6	6.4	79.6	57.9	21.7	93.8	78.6	15.3

1/ U.S. Department of Commerce, Bureau of the Census and Bureau of Economic Analysis, BOP valuation.

*/ In billions of chained (1992) dollars.

Note: Details may not add to totals because of rounding.

TABLE 2
 DETAILS OF GOODS AND SERVICES: LEVELS
 (Millions of dollars, seasonally adjusted)

	1998 Jun	1998 Jul	1998 Aug	1998 Sep	1998 Oct	1997 Qtr-3	1997 Qtr-4	1998 Qtr-1	1998 Qtr-2	1998 Qtr-3
TRADE BALANCE (G&S)	-14,213	-14,917	-16,674	-14,369	-14,194	-27,108	-28,456	-35,008	-43,872	-45,960
EXPORTS, Total (G&S)	76,225	74,994	74,988	77,467	79,618	237,930	239,461	236,539	230,582	227,449
Services	21,458	21,169	21,126	21,462	21,697	65,628	65,176	65,070	65,761	63,757
Agricultural	4,391	4,352	4,121	3,767	4,471	14,316	15,121	14,094	13,005	12,240
Gold (BOP)	399	226	548	529	818	862	855	1,324	1,056	1,303
Nonag Goods ex Gold	49,978	49,247	49,193	51,709	52,632	157,124	158,310	156,051	150,761	150,149
Ind Supplies (Ex Ag, Gold)	10,819	10,781	10,678	10,622	10,925	35,933	36,122	34,703	33,537	32,081
Fuels (coal, petrol, etc)	1,045	1,092	980	1,015	1,056	4,205	4,380	3,519	3,387	3,087
Chemicals	3,653	3,675	3,707	3,604	3,729	11,870	11,771	11,518	11,300	10,985
Building Materials	656	628	651	632	676	2,339	2,248	2,114	1,961	1,911
Other Ind Supplies	5,465	5,387	5,340	5,370	5,464	17,519	17,723	17,552	16,890	16,097
Capital Goods	24,369	24,843	23,863	26,099	26,747	75,999	76,252	75,148	71,957	74,805
Aircraft & Parts	4,054	4,594	3,857	6,057	5,852	10,691	10,899	12,212	11,191	14,509
Computers & Access	3,836	3,717	3,778	3,774	3,903	12,963	12,267	11,371	11,193	11,269
Semiconductors	2,943	2,990	3,162	3,206	3,307	10,055	9,687	9,444	8,864	9,348
Other Capital Goods	13,536	13,551	13,065	13,062	13,685	42,289	43,399	42,120	40,709	39,678
Automotive Products	5,601	4,732	5,601	5,993	5,991	18,703	19,161	19,425	18,052	16,326
To Canada	2,829	2,325	2,997	3,136	3,447	9,917	10,333	10,196	9,757	8,457
To Mexico (NSA)	894	679	846	1,095	1,025	2,822	3,329	3,305	3,084	2,620
To Rest of World	1,878	1,728	1,758	1,762	1,520	5,964	5,499	5,925	5,211	5,249
Consumer Goods	6,864	6,658	6,692	6,735	6,843	19,368	19,689	19,584	20,016	20,085
All Other Merchandise	2,325	2,232	2,360	2,261	2,126	7,122	7,085	7,191	7,198	6,853
IMPORTS, Total (G&S)	90,438	89,911	91,662	91,836	93,812	265,038	267,917	271,547	274,454	273,409
Services	15,141	15,057	15,065	15,030	15,262	43,440	43,794	44,380	45,190	45,152
Petroleum	4,122	4,172	4,124	4,009	4,435	17,577	17,156	13,728	13,486	12,305
Gold (BOP)	472	427	764	639	675	741	952	1,673	1,364	1,830
Nonpetroleum Goods ex Gold	70,703	70,255	71,709	72,158	73,439	203,280	206,015	211,766	214,415	214,123
Ind Supplies (Ex Oil, Gold)	12,181	12,245	12,432	12,212	12,214	35,289	35,574	36,123	36,836	36,889
Chemicals	2,403	2,474	2,367	2,275	2,450	7,445	7,383	7,522	7,380	7,116
Iron & Steel Mill Prod	1,500	1,561	1,693	1,545	1,565	3,639	3,579	3,742	4,421	4,799
Building Materials	1,452	1,464	1,551	1,499	1,512	4,249	4,311	4,411	4,369	4,515
Other Ind Supplies	6,825	6,745	6,821	6,893	6,687	19,957	20,301	20,447	20,666	20,459
Capital Goods	22,179	22,284	22,223	22,236	22,984	65,229	66,188	67,224	67,618	66,743
Aircraft & Parts	1,979	2,019	1,634	1,823	2,204	4,749	4,525	4,469	5,609	5,475
Computers & Access	5,794	5,916	5,861	6,010	6,212	18,197	17,713	18,089	17,913	17,786
Semiconductors	2,691	2,596	2,695	2,604	2,548	9,444	9,434	9,218	8,383	7,895
Other Capital Goods	11,715	11,753	12,033	11,800	12,020	32,839	34,516	35,448	35,713	35,586
Automotive Products	11,774	10,677	12,236	12,960	13,309	35,427	35,260	36,997	36,499	35,872
From Canada	3,619	3,317	3,923	4,617	5,077	12,593	12,480	13,263	12,254	11,857
From Mexico (NSA)	2,243	1,689	2,373	2,390	2,726	6,403	6,970	6,806	7,121	6,452
From Rest of World	5,912	5,670	5,940	5,953	5,506	16,431	15,810	16,927	17,124	17,563
Consumer Goods	18,174	18,267	17,981	18,014	18,162	48,959	50,519	52,284	54,341	54,262
Foods, Feeds, and Beverages	3,590	3,436	3,353	3,330	3,343	10,133	10,062	10,432	10,443	10,119
All Other Merchandise	2,806	3,346	3,485	3,406	3,429	8,242	8,412	8,707	8,678	10,237
Memo Items, NSA:										
Oil Imports: Value (SITC)	4,177	4,055	4,038	3,625	4,393	17,173	16,776	13,018	13,164	11,719
Volume (mbd)	11.735	11.504	11.731	10.530	11.700	10.817	10.441	10.610	11.816	11.255
Price (\$/bbl)	11.86	11.37	11.10	11.47	12.11	17.26	17.46	13.63	12.25	11.31

Source: U.S. Department of Commerce, monthly press release (FT-900).

TABLE 3

 DETAILS OF GOODS AND SERVICES: DOLLAR CHANGES
 (Millions of dollars, seasonally adjusted)

	Amount Change from Prev. Month				Amount Change from Prev. Qtr.				\$ Change from Year Earlier Q3-Q3
	Jul	Aug	Sep	Oct	Qtr-4	Qtr-1	Qtr-2	Qtr-3	
EXPORTS, Total (G&S)	-1,231	-6	2,479	2,151	1,531	-2,922	-5,957	-3,133	-10,481
Services	-289	-43	336	235	-452	-106	691	-2,004	-1,871
Agricultural	-39	-230	-354	704	804	-1,026	-1,090	-764	-2,076
Gold (BOP)	-172	321	-18	289	-7	469	-268	248	442
Nonag Goods ex Gold	-731	-54	2,516	923	1,186	-2,258	-5,290	-612	-6,975
Ind Supplies (Ex Ag, Gold)	-38	-103	-56	303	189	-1,419	-1,166	-1,456	-3,852
Fuels (coal, petrol, etc)	47	-113	36	41	175	-861	-132	-299	-1,118
Chemicals	22	33	-103	125	-99	-253	-218	-315	-884
Building Materials	-29	24	-19	43	-91	-133	-154	-49	-428
Other Ind Supplies	-78	-47	30	94	204	-172	-662	-793	-1,422
Capital Goods	474	-980	2,236	648	254	-1,105	-3,190	2,847	-1,194
Aircraft & Parts	540	-737	2,200	-206	208	1,313	-1,021	3,318	3,818
Computers & Access	-119	61	-4	130	-696	-896	-178	76	-1,694
Semiconductors	37	182	43	101	-368	-243	-580	485	-707
Other Capital Goods	16	-486	-3	623	1,110	-1,279	-1,411	-1,031	-2,611
Automotive Products	-869	868	392	-2	458	264	-1,374	-1,726	-2,377
To Canada	-504	672	139	311	416	-137	-439	-1,300	-1,460
To Mexico (NSA)	-215	166	249	-70	506	-24	-221	-465	-203
To Rest of World	-149	30	4	-243	-464	426	-714	38	-715
Consumer Goods	-206	33	43	109	322	-105	432	69	717
All Other Merchandise	-93	128	-99	-135	-37	106	7	-346	-269
IMPORTS, Total (G&S)	-527	1,751	174	1,976	2,879	3,630	2,907	-1,045	8,371
Services	-84	8	-35	232	354	586	810	-38	1,712
Petroleum	50	-48	-115	427	-420	-3,428	-242	-1,181	-5,272
Gold (BOP)	-45	337	-125	37	210	722	-309	466	1,088
Nonpetroleum Goods ex Gold	-448	1,454	449	1,281	2,735	5,751	2,649	-292	10,842
Ind Supplies (Ex Oil, Gold)	64	187	-220	2	284	549	713	54	1,600
Chemicals	72	-108	-91	175	-62	139	-142	-264	-328
Iron & Steel Mill Prod	61	132	-148	20	-61	163	679	379	1,160
Building Materials	12	87	-53	13	62	101	-42	146	266
Other Ind Supplies	-80	76	73	-207	345	146	218	-207	502
Capital Goods	105	-61	13	748	959	1,036	394	-875	1,514
Aircraft & Parts	40	-385	189	381	-225	-56	1,140	-133	726
Computers & Access	122	-55	149	202	-484	376	-175	-127	-411
Semiconductors	-95	99	-92	-55	-10	-216	-835	-488	-1,549
Other Capital Goods	39	280	-233	220	1,678	932	265	-127	2,748
Automotive Products	-1,097	1,559	724	349	-167	1,736	-497	-627	445
From Canada	-302	606	694	460	-112	783	-1,009	-397	-735
From Mexico (NSA)	-553	684	17	336	566	-163	315	-670	48
From Rest of World	-242	269	13	-447	-621	1,117	197	439	1,132
Consumer Goods	93	-286	33	148	1,560	1,764	2,057	-79	5,303
Foods, Feeds, and Beverages	-154	-83	-23	13	-71	370	11	-323	-13
All Other Merchandise	541	138	-78	22	169	295	-29	1,559	1,995
Memo Items, NSA:									
Oil Imports: Value (SITC)	-122	-17	-413	767	-398	-3,757	145	-1,445	-5,455
Volume (mbd)	-0.231	0.227	-1.201	1.170	-0.375	0.168	1.206	-0.561	0.438
Price (\$/bbl)	-0.49	-0.27	0.37	0.64	0.20	-3.83	-1.38	-0.94	-5.96

Source: U.S. Department of Commerce, monthly press release (FT-900).

TABLE 4

December 17, 1998

DETAILS OF GOODS AND SERVICES: PERCENT CHANGES
(Percent change from previous period)

	Percent Change from Prev. Month				Percent Change from Prev. Qtr.				% Change from Year Earlier Q3-Q3
	Jul	Aug	Sep	Oct	Qtr-4	Qtr-1	Qtr-2	Qtr-3	
EXPORTS, Total (G&S)	-1.6	-0.0	3.3	2.8	0.6	-1.2	-2.5	-1.4	-4.4
Services	-1.3	-0.2	1.6	1.1	-0.7	-0.2	1.1	-3.0	-2.9
Agricultural	-0.9	-5.3	-8.6	18.7	5.6	-6.8	-7.7	-5.9	-14.5
Gold (BOP)	-43.2	141.9	-3.4	54.6	-0.8	54.8	-20.2	23.5	51.3
Nonag Goods ex Gold	-1.5	-0.1	5.1	1.8	0.8	-1.4	-3.4	-0.4	-4.4
Ind Supplies (Ex Ag, Gold)	-0.3	-1.0	-0.5	2.9	0.5	-3.9	-3.4	-4.3	-10.7
Fuels (coal, petrol, etc)	4.5	-10.3	3.7	4.0	4.2	-19.7	-3.8	-8.8	-26.6
Chemicals	0.6	0.9	-2.8	3.5	-0.8	-2.1	-1.9	-2.8	-7.4
Building Materials	-4.4	3.8	-2.9	6.8	-3.9	-5.9	-7.3	-2.5	-18.3
Other Ind Supplies	-1.4	-0.9	0.6	1.7	1.2	-1.0	-3.8	-4.7	-8.1
Capital Goods	1.9	-3.9	9.4	2.5	0.3	-1.4	-4.2	4.0	-1.6
Aircraft & Parts	13.3	-16.0	57.0	-3.4	1.9	12.0	-8.4	29.6	35.7
Computers & Access	-3.1	1.6	-0.1	3.4	-5.4	-7.3	-1.6	0.7	-13.1
Semiconductors	1.3	6.1	1.4	3.2	-3.7	-2.5	-6.1	5.5	-7.0
Other Capital Goods	0.1	-3.6	-0.0	4.8	2.6	-2.9	-3.3	-2.5	-6.2
Automotive Products	-15.5	18.3	7.0	-0.0	2.4	1.4	-7.1	-9.6	-12.7
To Canada	-17.8	28.9	4.6	9.9	4.2	-1.3	-4.3	-13.3	-14.7
To Mexico (NSA)	-24.0	24.5	29.5	-6.4	17.9	-0.7	-6.7	-15.1	-7.2
To Rest of World	-8.0	1.7	0.2	-13.8	-7.8	7.7	-12.1	0.7	-12.0
Consumer Goods	-3.0	0.5	0.6	1.6	1.7	-0.5	2.2	0.3	3.7
All Other Merchandise	-4.0	5.7	-4.2	-6.0	-0.5	1.5	0.1	-4.8	-3.8
IMPORTS, Total (G&S)	-0.6	1.9	0.2	2.2	1.1	1.4	1.1	-0.4	3.2
Services	-0.6	0.1	-0.2	1.5	0.8	1.3	1.8	-0.1	3.9
Petroleum	1.2	-1.2	-2.8	10.6	-2.4	-20.0	-1.8	-8.8	-30.0
Gold (BOP)	-9.5	78.9	-16.4	5.7	28.4	75.8	-18.5	34.2	146.8
Nonpetroleum Goods ex Gold	-0.6	2.1	0.6	1.8	1.3	2.8	1.3	-0.1	5.3
Ind Supplies (Ex Oil, Gold)	0.5	1.5	-1.8	0.0	0.8	1.5	2.0	0.1	4.5
Chemicals	3.0	-4.4	-3.9	7.7	-0.8	1.9	-1.9	-3.6	-4.4
Iron & Steel Mill Prod	4.1	8.4	-8.8	1.3	-1.7	4.6	18.1	8.6	31.9
Building Materials	0.8	5.9	-3.4	0.9	1.5	2.3	-1.0	3.3	6.3
Other Ind Supplies	-1.2	1.1	1.1	-3.0	1.7	0.7	1.1	-1.0	2.5
Capital Goods	0.5	-0.3	0.1	3.4	1.5	1.6	0.6	-1.3	2.3
Aircraft & Parts	2.0	-19.1	11.6	20.9	-4.7	-1.2	25.5	-2.4	15.3
Computers & Access	2.1	-0.9	2.5	3.4	-2.7	2.1	-1.0	-0.7	-2.3
Semiconductors	-3.5	3.8	-3.4	-2.1	-0.1	-2.3	-9.1	-5.8	-16.4
Other Capital Goods	0.3	2.4	-1.9	1.9	5.1	2.7	0.7	-0.4	8.4
Automotive Products	-9.3	14.6	5.9	2.7	-0.5	4.9	-1.3	-1.7	1.3
From Canada	-8.4	18.3	17.7	10.0	-0.9	6.3	-7.6	-3.2	-5.8
From Mexico (NSA)	-24.7	40.5	0.7	14.1	8.8	-2.3	4.6	-9.4	0.8
From Rest of World	-4.1	4.7	0.2	-7.5	-3.8	7.1	1.2	2.6	6.9
Consumer Goods	0.5	-1.6	0.2	0.8	3.2	3.5	3.9	-0.1	10.8
Foods, Feeds, and Beverages	-4.3	-2.4	-0.7	0.4	-0.7	3.7	0.1	-3.1	-0.1
All Other Merchandise	19.3	4.1	-2.2	0.6	2.1	3.5	-0.3	18.0	24.2
Memo Items, NSA:									
Oil Imports: Value (SITC)	-2.9	-0.4	-10.2	21.2	-2.3	-22.4	1.1	-11.0	-31.8
Volume (mbd)	-2.0	2.0	-10.2	11.1	-3.5	1.6	11.4	-4.7	4.1
Price (\$/bbl)	-4.2	-2.3	3.3	5.5	1.1	-21.9	-10.1	-7.7	-34.5

Source: U.S. Department of Commerce, monthly press release (FT-900).

Commercial Bank Credit
(Percent change; seasonally adjusted annual rate)

Type of credit	1997	1998					Level, Nov 1998 (billions of \$)
		Q2	Q3	Sep	Oct	Nov	
1. Bank credit: Reported	9.0	5.4	9.2	15.5	25.2	9.5	4,527.7
2. Adjusted ¹	8.6	6.0	8.1	10.2	18.1	15.3	4,398.0
3. Securities: Reported	10.3	0.5	12.3	20.7	42.0	9.3	1,225.7
4. Adjusted ¹	8.5	2.3	8.2	-0.1	15.1	32.8	1,096.1
5. U.S. government	6.2	-3.4	0.6	-6.5	11.3	22.5	788.0
6. Other ²	20.8	9.2	37.6	75.2	99.5	-13.8	437.7
7. Loans ³	8.6	7.2	8.0	13.6	19.1	9.5	3,301.9
8. Business	8.8	7.0	12.7	15.3	28.4	11.1	950.7
9. Real estate	9.2	6.3	1.9	1.1	5.2	19.4	1,307.1
10. Home equity	15.5	-0.8	-2.5	4.9	-7.4	17.3	98.3
11. Other	8.7	6.9	2.2	0.9	6.2	19.8	1,208.9
12. Consumer: Reported	-1.5	1.7	-5.4	7.7	-1.4	5.0	501.4
13. Adjusted ⁴	4.1	9.1	3.8	6.8	-0.2	5.7	745.4
14. Other ⁵	20.9	16.1	30.6	47.7	56.6	-12.3	542.7

Note. Adjusted for breaks caused by reclassifications. Monthly levels are pro rata averages of weekly (Wednesday) levels. Quarterly levels (not shown) are simple averages of monthly levels. Annual levels (not shown) are levels for the fourth quarter. Growth rates shown are percentage changes in consecutive levels, annualized but not compounded.

1. Adjusted to remove effects of mark-to-market accounting rules (FIN 39 and FASB 115).

2. Includes securities of corporations, state and local governments, and foreign governments and any trading account assets that are not U.S. government securities.

3. Excludes interbank loans.

4. Includes an estimate of outstanding loans securitized by commercial banks.

5. Includes security loans, loans to farmers, state and local governments, and all others not elsewhere classified. Also includes lease financing receivables.

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

Instrument	1997	1998			Change to Dec. 17 from selected dates (percentage points)		
	Dec. 31	Oct. 14	FOMC* Nov. 17	Dec. 17	Dec. 31	Oct. 14	FOMC* Nov. 17
<i>Short-term</i>							
Federal funds							
FOMC intended rate	5.50	5.25	5.00	4.75	-.75	-.50	-.25
Realized rate ¹	5.44	5.40	5.08	4.80	-.64	-.60	-.28
Treasury bills ²							
3-month	5.22	3.93	4.41	4.35	-.87	.42	-.06
6-month	5.23	4.06	4.42	4.37	-.86	.31	-.05
1-year	5.22	4.01	4.34	4.25	-.97	.24	-.09
Commercial paper							
1-month	5.65	5.26	5.13	5.24	-.41	-.02	.11
3-month	5.57	5.11	5.09	5.01	-.56	-.10	-.08
Large negotiable CDs ²							
1-month	5.65	5.34	5.19	5.52	-.13	.18	.33
3-month	5.72	5.30	5.31	5.14	-.58	-.16	-.17
6-month	5.74	5.09	5.12	4.99	-.75	-.10	-.13
Eurodollar deposits ³							
1-month	5.63	5.25	5.19	5.44	-.19	.19	.25
3-month	5.72	5.25	5.31	5.13	-.59	-.12	-.18
Bank prime rate							
8.50	8.25	8.00	7.75	7.75	-.75	-.50	-.25
<i>Intermediate- and long-term</i>							
U.S. Treasury (constant maturity)							
2-year	5.66	4.08	4.56	4.42	-1.24	.34	-.14
10-year	5.75	4.58	4.85	4.58	-1.17	.00	-.27
30-year	5.93	5.00	5.28	5.01	-.92	.01	-.27
U.S. Treasury 10-year indexed note	3.70	3.72	3.80	3.78	.08	.06	-.02
Municipal revenue (Bond Buyer) ⁴	5.40	5.17	5.28	5.21	-.19	.04	-.07
Corporate bonds, Moody's seasoned Baa	7.28	7.23	7.37	7.20	-.08	-.03	-.17
High-yield corporate ⁵	9.06	11.20	10.62	10.46	1.40	-.74	-.16
Home mortgages (FHLMC survey rate) ⁶							
30-year fixed	6.99	6.49	6.93	6.69	-.30	.20	-.24
1-year adjustable	5.53	5.36	5.56	5.53	.00	.17	-.03

Stock exchange index	Record high		1998			Change to Dec. 17 from selected dates (percent)		
	Level	Date	Oct. 14	FOMC* Nov. 17	Dec. 17	Record high	Oct. 14	FOMC* Nov. 17
Dow-Jones Industrial	9,374.27	11-23-98	7,968.78	9,011.25	8,875.82	-5.32	11.38	-1.50
S&P 500 Composite	1,192.33	11-27-98	1,005.53	1,135.87	1,179.98	-1.04	17.35	3.88
NASDAQ (OTC)	2,050.42	12-9-98	1,540.97	1,861.68	2,043.88	-.32	32.64	9.79
Russell 2000	491.41	4-21-98	324.98	390.42	393.78	-19.87	21.17	.86
Wilshire 5000	11,106.10	7-17-98	9,060.47	10,383.89	10,731.68	-3.37	18.45	3.35

1. Average for two-week reserve maintenance period ending on or before date shown. Most recent observation is average for current maintenance period to date.

2. Secondary market.

3. Bid rates for Eurodollar deposits collected around 9:30 a.m. Eastern time.

4. Most recent Thursday quote.

5. Merrill Lynch Master II high-yield bond index composite.

6. For week ending Friday previous to date shown.

* Data are as of the close on November 16, 1998.