

Prefatory Note

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March 12, 2004

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Supplemental Notes

Prepared for the Federal Open Market Committee
by the staff of the Board of Governors of the Federal Reserve System

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Supplemental Notes

The Domestic Nonfinancial Economy

Consumer Sentiment

After having spiked sharply in January, the Michigan Survey Research Center's (SRC) index of consumer sentiment has dropped back noticeably, but to levels that remain above its long-run average and above its readings throughout last year. According to the preliminary report for March, the index was just a touch lower in early March than in February.

The slight dip in the SRC index in early March was the result of a decrease in the "expected conditions" component of the index that was mostly offset by an increase in the "current conditions" component. For "expected conditions," consumers' appraisals of expected business conditions fell, but their assessments of their expected personal financial situation improved slightly. Regarding "current conditions," consumers' assessments of their current personal financial situation and of buying conditions for large household appliances rebounded a bit following last month's large drops.

Among those items not included in the overall index, expectations about the change in unemployment over the next twelve months continued to deteriorate in early March. In contrast, consumers' appraisals of buying conditions for cars and houses both improved.

In early March, the mean and median of expected inflation climbed to 3.7 percent and 3.0 percent, respectively, the highest readings for both measures since last March. In contrast, both the mean and median of expected inflation over the next five to ten years were unchanged at 3.3 percent and 2.9 percent, respectively.

Federal Government Outlays and Receipts

Adjusting for the timing of outlay payments, the federal government recorded a deficit of \$110 billion in February, about \$13 billion larger than last year.¹ Adjusted receipts were about 5 percent lower than last year, reflecting a surge in individual income tax refunds stemming in large part from last summer's tax cuts.

Adjusted outlays were up about 5 percent over the twelve months ending in February, or about \$9 billion. Spending on income security was about \$5 billion lower than last year, as a result of the tailing off of extended unemployment insurance benefits and an anomalous reduction in refundable

1. This year, February outlays were lower than average because the first day of February fell on a weekend, shifting outlays into January.

March 12, 2004

University of Michigan Survey Research Center: Survey of Consumer Attitudes
Indexes of consumer sentiment
 (Not seasonally adjusted)

| Category | 2003 | | | | | 2004 | | |
|---|------|-------|------|-------|------|-------|-------|-------------------|
| | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ^P |
| Composite of current and expected conditions ¹ | 89.3 | 87.7 | 89.6 | 93.7 | 92.6 | 103.8 | 94.4 | 94.1 |
| Current conditions ¹ | 99.7 | 98.4 | 99.9 | 102.5 | 97.0 | 109.5 | 103.6 | 105.7 |
| Expected conditions ¹ | 82.5 | 80.8 | 83.0 | 88.1 | 89.8 | 100.1 | 88.5 | 86.6 |
| Personal financial situation | | | | | | | | |
| Now compared with 12 months ago ² | 109 | 106 | 111 | 107 | 105 | 119 | 111 | 115 |
| Expected in 12 months ² | 124 | 133 | 127 | 128 | 122 | 136 | 128 | 131 |
| Expected business conditions | | | | | | | | |
| Next 12 months ² | 111 | 97 | 108 | 122 | 128 | 143 | 118 | 111 |
| Next 5 years ² | 97 | 94 | 98 | 104 | 112 | 124 | 110 | 106 |
| Appraisal of buying conditions | | | | | | | | |
| Cars | 150 | 152 | 155 | 161 | 157 | 161 | 150 | 159 |
| Large household appliances ² | 150 | 148 | 148 | 158 | 146 | 165 | 157 | 159 |
| Houses | 165 | 158 | 165 | 170 | 163 | 164 | 158 | 168 |
| Expected unemployment change - next 12 months | 111 | 114 | 117 | 105 | 98 | 95 | 105 | 108 |
| Prob. household will lose a job - next 5 years | 24 | 25 | 25 | 27 | 29 | 26 | 25 | 23 |
| Expected inflation - next 12 months | | | | | | | | |
| Mean | 2.8 | 3.4 | 3.1 | 3.1 | 2.8 | 2.9 | 2.9 | 3.7 |
| Median | 2.5 | 2.8 | 2.6 | 2.7 | 2.6 | 2.7 | 2.6 | 3.0 |
| Expected inflation - next 5 to 10 years | | | | | | | | |
| Mean | 3.0 | 3.0 | 3.1 | 3.1 | 3.1 | 3.4 | 3.3 | 3.3 |
| Median | 2.7 | 2.7 | 2.8 | 2.7 | 2.8 | 2.8 | 2.9 | 2.9 |

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.

P Preliminary.

1. Feb. 1966 = 100.

2. Indicates the question is one of the five equally-weighted components of the index of sentiment.

EITC payments.² Spending on agriculture and net interest was also lower than last year, while spending on Medicare was up sharply.

Defense spending was little changed from its January level and was about 20 percent higher than a year earlier, marking a moderate step-up from the plateau in defense spending recorded from last spring through the end of the year. February's level spending came in higher than we had assumed in the Greenbook, and we have raised our projection of real NIPA defense spending in the first quarter by about \$4 billion (annual rate). This change boosts our projection of the first-quarter change in real defense spending by 4 percentage points and lowers the second-quarter change by a similar amount.

Inventory Investment

The book value of retail inventories increased at an annual rate of \$5.1 billion in January following a \$31.4 billion accumulation in the fourth quarter. Excluding motor vehicles and parts, retail inventories edged down slightly in January. Sales at non-auto retailers were unchanged that month, and the inventory-sales ratio for the sector decreased to 1.37 months, a new low.

For the entire manufacturing and trade sector excluding motor vehicles and parts, book-value inventories increased at an annual rate of \$13.6 billion in January, the fifth consecutive month of stockbuilding. Nonetheless, sales in this broad category rose 0.5 percent, and the inventory-sales ratio ticked down to a new low of 1.26 months.

On balance, the inventory data for January were on the low side of our expectations. Together with the information on federal spending, discussed above, our projection for real GDP in the first and second quarters is unchanged.

Erratum

The first sentence of the third paragraph on page I-2 of Greenbook, Part 1, Domestic Developments should read: "Since the January Greenbook, the foreign exchange value of the dollar has increased about 2 percent."

2. Tax refunds are split into two categories in the unified accounts. Refunds that represent an actual payment to a taxpayer (i.e., those stemming from tax credits, like the EITC and child tax credit, that can reduce a taxpayer's liability below zero) are labeled as outlays; the remainder are labeled as negative taxes. At this point, the split between these two categories is only an estimate, whereas the sum is actual data. Taken together, individual tax refunds plus refundable tax credits are 8 percent higher than last year.

Federal Government Outlays and Receipts
(Unified basis; billions of dollars except as noted)

| Function or source | February | | | 12 months ending in February | | |
|---|----------|--------|----------------|------------------------------|--------|----------------|
| | 2003 | 2004 | Percent change | 2003 | 2004 | Percent change |
| Outlays | 186.1 | 182.0 | -2.2 | 2074.6 | 2194.5 | 5.8 |
| Financial transactions ¹ | .5 | -.3 | ... | -2.3 | -1.9 | ... |
| Payment timing ² | .0 | -12.5 | ... | 11.2 | -12.1 | ... |
| Adjusted outlays | 185.7 | 194.9 | 5.0 | 2065.6 | 2208.5 | 6.9 |
| Receipts | 89.5 | 85.3 | -4.7 | 1790.2 | 1787.7 | -.1 |
| Payment timing | .0 | .0 | ... | .0 | .0 | ... |
| Adjusted receipts | 89.5 | 85.3 | -4.7 | 1790.2 | 1787.7 | -.1 |
| Surplus or deficit (-) | -96.7 | -96.7 | ... | -284.3 | -406.8 | ... |
| <i>Selected components of adjusted outlays and receipts</i> | | | | | | |
| Adjusted outlays | 185.7 | 194.9 | 5.0 | 2065.6 | 2208.5 | 6.9 |
| Net interest | 13.2 | 12.8 | -3.4 | 165.6 | 151.8 | -8.3 |
| Non-interest | 172.5 | 182.1 | 5.6 | 1900.0 | 2056.7 | 8.2 |
| National defense | 29.9 | 35.9 | 20.3 | 367.1 | 430.6 | 17.3 |
| Social security | 39.0 | 41.2 | 5.5 | 464.4 | 482.6 | 3.9 |
| Medicare | 18.7 | 20.8 | 11.1 | 240.9 | 253.3 | 5.1 |
| Medicaid | 12.1 | 13.3 | 9.8 | 151.9 | 166.7 | 9.7 |
| Income security | 44.5 | 39.9 | -10.4 | 328.0 | 332.8 | 1.5 |
| Agriculture | 1.6 | .2 | -86.6 | 23.2 | 22.2 | -4.4 |
| Other | 26.7 | 30.9 | 15.8 | 324.6 | 368.6 | 13.6 |
| Adjusted receipts | 89.5 | 85.3 | -4.7 | 1790.2 | 1787.7 | -.1 |
| Individual income and payroll taxes | 77.1 | 70.0 | -9.2 | 1488.1 | 1451.8 | -2.4 |
| Withheld + FICA | 114.8 | 115.8 | .9 | 1368.4 | 1366.6 | -.1 |
| Nonwithheld + SECA | 2.6 | 3.5 | 34.7 | 314.4 | 287.2 | -8.6 |
| Less: Refunds | 40.3 | 49.3 | 22.4 | 194.6 | 201.9 | 3.8 |
| Corporate | -1.2 | .8 | ... | 118.0 | 147.2 | 24.7 |
| Gross | 3.9 | 3.3 | -16.4 | 186.0 | 201.7 | 8.4 |
| Less: Refunds | 5.1 | 2.4 | -52.3 | 68.0 | 54.5 | -19.8 |
| Other | 13.6 | 14.4 | 6.6 | 184.0 | 188.7 | 2.5 |
| Adjusted surplus or deficit (-) | -96.2 | -109.6 | ... | -275.4 | -420.8 | ... |

Note. Components may not sum to totals because of rounding.

1. Financial transactions consist of deposit insurance, spectrum auction and sales of major assets.

2. A shift in payment timing occurs when the first of the month falls on a weekend or holiday, or when the first three days of a month are nonworking days. Outlays for defense, social security, Medicare, income security, and "other" have been adjusted to account for these shifts.

... Not applicable.

Changes in Manufacturing and Trade Inventories
(Billions of dollars; seasonally adjusted book value; annual rate)

| Sector | 2003 | | | | 2004 |
|---|-------|------|------|------|------|
| | Q3 | Q4 | Nov. | Dec. | Jan. |
| Manufacturing and trade Ex. wholesale and retail motor vehicles & parts | -5.1 | 49.3 | 46.6 | 44.5 | 19.2 |
| 5.8 | 26.4 | 27.9 | 31.1 | 13.6 | |
| Manufacturing Ex. aircraft | -17.5 | 1.2 | -6.6 | 5.5 | 9.9 |
| -14.8 | 4.3 | -.2 | 6.0 | 8.8 | |
| Wholesale trade Motor vehicles & parts Ex. motor vehicles & parts | 6.1 | 16.7 | 11.8 | 22.8 | 4.2 |
| -4.2 | 6.2 | -1.2 | 10.2 | .1 | |
| 10.3 | 10.5 | 13.0 | 12.6 | 4.1 | |
| Retail trade Motor vehicles & parts Ex. motor vehicles & parts | 6.3 | 31.4 | 41.4 | 16.2 | 5.1 |
| -6.7 | 16.7 | 19.8 | 3.2 | 5.5 | |
| 13.0 | 14.7 | 21.6 | 13.0 | -.4 | |

Book-Value Inventories Relative to Shipments and Sales



Inventory-Consumption Ratios, Flow-of-Goods System



Commercial Bank Credit

(Percent change, annual rate, except as noted; seasonally adjusted)

| Type of credit | 2003 | Q3 2003 | Q4 2003 | Dec. 2003 | Jan. 2004 | Feb. 2004 | Level, Feb. 2004 (\$ billions) |
|--------------------------------|------------|------------|------------|--------------|--------------|--------------|--------------------------------------|
| Total | | | | | | | |
| 1. Adjusted¹ | 5.8 | 4.5 | -6 | -4.1 | 6.7 | 20.5 | 6,107 |
| 2. Reported | 5.6 | 2.4 | .0 | -2.3 | 8.2 | 21.1 | 6,316 |
| <i>Securities</i> | | | | | | | |
| 3. Adjusted ¹ | 8.8 | -3.7 | 5.5 | -2.8 | -6.4 | 47.2 | 1,693 |
| 4. Reported | 7.6 | -10.2 | 6.9 | 3.2 | .1 | 46.0 | 1,902 |
| 5. Treasury and agency | 8.7 | -15.2 | 2.5 | -1.2 | -1.6 | 71.5 | 1,165 |
| 6. Other ² | 5.9 | -2.1 | 13.9 | 9.9 | 2.4 | 8.0 | 736 |
| <i>Loans³</i> | | | | | | | |
| 7. Total | 4.8 | 7.6 | -2.8 | -4.6 | 11.6 | 10.6 | 4,414 |
| 8. Business | -8.7 | -13.6 | -9.4 | -5.4 | -3.6 | 4.0 | 878 |
| 9. Real estate | 11.0 | 18.3 | -1.7 | -.5 | 10.3 | 11.3 | 2,258 |
| 10. Home equity | 30.8 | 24.1 | 30.9 | 33.4 | 41.4 | 27.7 | 297 |
| 11. Other | 8.7 | 17.6 | -5.9 | -5.2 | 5.7 | 8.8 | 1,961 |
| 12. Consumer | 6.0 | 6.5 | 12.5 | 6.7 | 7.8 | -2.6 | 636 |
| 13. Adjusted ⁴ | 6.1 | 3.6 | 8.6 | 1.6 | 11.4 | .7 | 1,008 |
| 14. Other ⁵ | 4.4 | 3.8 | -11.8 | -29.2 | 42.0 | 31.0 | 643 |

Note. Data are adjusted to remove estimated effects of consolidation related to FIN 46 and 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 fourthquarter. Growth rates are percentage changes in consecutive levels, annualized but not compounded.

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

2. Includes private mortgage-backed securities, securities of corporations, state and local governments, foreign governments, and any trading account assets that are not Treasury or agency securities, including revaluation gains on derivative contracts.

3. Excludes interbank loans.

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

5. Includes security loans and 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 | 2003 | | 2004 | | Change to Mar. 11 from selected dates (percentage points) | | |
|---|---------|---------|---------|---------|---|--------------|--------------|
| | June 24 | Dec. 31 | Jan. 27 | Mar. 11 | 2003 June 24 | 2003 Dec. 31 | 2004 Jan. 27 |
| <i>Short-term</i> | | | | | | | |
| FOMC intended federal funds rate | 1.25 | 1.00 | 1.00 | 1.00 | -.25 | .00 | .00 |
| Treasury bills ¹ | | | | | | | |
| 3-month | 0.81 | 0.93 | 0.89 | 0.95 | .14 | .02 | .06 |
| 6-month | 0.82 | 1.00 | 0.96 | 0.98 | .16 | -.02 | .02 |
| Commercial paper (A1/P1 rates) ² | | | | | | | |
| 1-month | 0.95 | 1.00 | 1.02 | 1.01 | .06 | .01 | -.01 |
| 3-month | 0.91 | 1.05 | 1.04 | 1.02 | .11 | -.03 | -.02 |
| Large negotiable CDs ¹ | | | | | | | |
| 1-month | 0.96 | 1.06 | 1.03 | 1.03 | .07 | -.03 | .00 |
| 3-month | 0.93 | 1.09 | 1.05 | 1.04 | .11 | -.05 | -.01 |
| 6-month | 0.92 | 1.16 | 1.10 | 1.07 | .15 | -.09 | -.03 |
| Eurodollar deposits ³ | | | | | | | |
| 1-month | 0.94 | 1.04 | 1.02 | 1.01 | .07 | -.03 | -.01 |
| 3-month | 0.91 | 1.07 | 1.04 | 1.04 | .13 | -.03 | .00 |
| Bank prime rate | 4.25 | 4.00 | 4.00 | 4.00 | -.25 | .00 | .00 |
| <i>Intermediate- and long-term</i> | | | | | | | |
| U.S. Treasury ⁴ | | | | | | | |
| 2-year | 1.14 | 1.83 | 1.70 | 1.52 | .38 | -.31 | -.18 |
| 10-year | 3.46 | 4.40 | 4.24 | 3.90 | .44 | -.50 | -.34 |
| 30-year | 4.53 | 5.22 | 5.09 | 4.81 | .28 | -.41 | -.28 |
| U.S. Treasury 10-year indexed note | 1.70 | 2.00 | 1.84 | 1.50 | -.20 | -.50 | -.34 |
| Municipal revenue (Bond Buyer) ⁵ | 4.89 | 5.04 | 4.94 | 4.75 | -.14 | -.29 | -.19 |
| Private instruments | | | | | | | |
| 10-year swap | 3.67 | 4.66 | 4.47 | 4.08 | .41 | -.58 | -.39 |
| 10-year FNMA ⁶ | 3.84 | 4.72 | 4.54 | 4.22 | .38 | -.50 | -.32 |
| 10-year AA ⁷ | 4.13 | 5.05 | 4.89 | 4.53 | .40 | -.52 | -.36 |
| 10-year BBB ⁷ | 5.16 | 5.74 | 5.52 | 5.18 | .02 | -.56 | -.34 |
| 5-year high yield ⁷ | 8.95 | 7.94 | 7.60 | 7.81 | -1.14 | -.13 | .21 |
| Home mortgages (FHLMC survey rate) ⁸ | | | | | | | |
| 30-year fixed | 5.21 | 5.81 | 5.64 | 5.59 | .38 | -.22 | -.05 |
| 1-year adjustable | 3.51 | 3.73 | 3.56 | 3.47 | -.04 | -.26 | -.09 |

| Stock exchange index | Record high | | 2003 | 2004 | | Change to Mar. 11 from selected dates (percent) | | |
|----------------------|-------------|---------|---------|---------|---------|---|--------------|--------------|
| | Level | Date | Dec. 31 | Jan. 27 | Mar. 11 | Record high | 2003 Dec. 31 | 2004 Jan. 27 |
| Dow-Jones Industrial | 11,723 | 1-14-00 | 10,454 | 10,610 | 10,128 | -13.60 | -3.11 | -4.54 |
| S&P 500 Composite | 1,527 | 3-24-00 | 1,112 | 1,144 | 1,107 | -27.54 | -.46 | -3.26 |
| Nasdaq (OTC) | 5,049 | 3-10-00 | 2,003 | 2,116 | 1,944 | -61.50 | -2.97 | -8.14 |
| Russell 2000 | 606 | 3-9-00 | 557 | 595 | 569 | -6.17 | 2.12 | -4.44 |
| Wilshire 5000 | 14,752 | 3-24-00 | 10,800 | 11,177 | 10,821 | -26.64 | .20 | -3.18 |

1. Secondary market.
2. Financial commercial paper.
3. Bid rates for eurodollar deposits collected around 9:30 a.m. Eastern time.
4. Derived from a smoothed Treasury yield curve estimated using off-the-run securities.
5. Most recent Thursday quote.
6. Constant maturity yields estimated from Fannie Mae domestic noncallable coupon securities.
7. Derived from smoothed corporate yield curves estimated using Merrill Lynch bond data.
8. For week ending Friday previous to date shown.

NOTES:

June 24, 2003 is the last day before the most recent policy easing.
January 27, 2004, is the day before the most recent FOMC meeting.

The International Economy

U.S. Current Account

The U.S. current account deficit was \$510 billion (s.a.a.r.) in the fourth quarter of 2003, down \$31 billion from the third quarter (revised). The decline was driven by a sizable increase in the surplus on net investment income. The deficit on goods and services and net outflows of unilateral transfers each registered small increases.

The deficit on goods and services widened \$5 billion in the fourth quarter as a \$61 billion increase in imports was nearly matched by a \$56 billion increase in exports. The value of imported goods rose \$54 billion, largely reflecting strong increases in capital goods, automotive products, and consumer goods. Imports of services rose \$7 billion. The value of exported goods increased \$42 billion, with capital goods accounting for about half of the rise. Exports of services moved up \$14 billion.

| U.S. Current Account | | | | |
|--|-------------------------|------------------------|---------------------------------|-------------------------|
| (Billions of dollars, seasonally adjusted annual rate) | | | | |
| Period | Goods and services, net | Investment income, net | Other income and transfers, net | Current account balance |
| <i>Annual</i> | | | | |
| 2002 | -418.0 | 1.3 | -64.1 | -480.9 |
| 2003 | -490.2 | 21.9 | -73.6 | -541.8 |
| <i>Quarterly</i> | | | | |
| 2003:Q1 | -486.2 | 4.6 | -75.1 | -556.6 |
| Q2 | -496.4 | 10.5 | -73.5 | -559.4 |
| Q3 | -486.6 | 17.0 | -71.6 | -541.2 |
| Q4 | -491.5 | 55.4 | -74.0 | -510.2 |
| <i>Change</i> | | | | |
| Q1-Q4 | -21.7 | -12.6 | -8.0 | -42.3 |
| Q2-Q1 | -10.2 | 5.9 | 1.6 | -2.7 |
| Q3-Q2 | 9.8 | 6.5 | 1.8 | 18.2 |
| Q4-Q3 | -4.9 | 38.3 | -2.4 | 31.0 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The surplus on net investment income rose \$38 billion in the fourth quarter as a \$48 billion rise in receipts outweighed a \$9 billion rise in payments. The sizable increase in receipts was driven by a surge in earnings on U.S. direct investment assets held abroad; direct investment receipts rose uniformly across all major sectors and regions. The modest rise in payments was mostly due to higher earnings on foreign portfolio holdings of U.S. assets.

Net unilateral transfers to foreigners rose \$2 billion as higher private transfers offset lower government transfers.

Implications for the outlook. Receipts of investment income on U.S. direct investment assets held abroad came in notably higher in the fourth quarter than we had anticipated. As a consequence, we have revised upward our projection for net investment income over the forecast period. Compared with the March Greenbook, we have narrowed our projection for the U.S. current account deficit about \$25 billion this year and \$20 billion next year. We continue to project that the current account deficit will edge above \$600 billion at the end of 2005, equivalent to a bit less than 5 percent of GDP.

U.S. International Financial Transactions

The March 12 balance of payments press release included new data for the fourth quarter of 2003.

U.S. direct investment abroad (line 6 of the Summary of U.S. International Transactions table) increased to \$50 billion in the fourth quarter, owing to pickups in both reinvested earnings and new equity capital. For the year 2003, direct investment outflows rose to \$155 billion from \$138 billion in 2002, an increase entirely attributable to reinvested earnings. Foreign direct investment into the United States (line 7) rebounded to \$23 billion in the fourth quarter following an anemic third quarter, resulting from a reversal of intra-company debt outflows, as both reinvested earnings and new equity investment were little changed in the quarter. For the year, gains in reinvested earnings led to increased direct investment inflows of \$42 billion. During 2003, U.S. direct investment outflows exceeded foreign direct investment inflows by \$73 billion.

The statistical discrepancy (last line) was negative \$53 billion for the fourth quarter and negative \$34 billion for the year. A negative statistical discrepancy indicates some combination of over-recorded net capital inflows and under-recorded net exports.

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

| | 2002 | 2003 | 2003 | | | | | 2004 | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|--|
| | | | Q1 | Q2 | Q3 | Q4 | Dec | Jan | |
| Official financial flows | 87.8 | 208.4 | 41.0 | 56.0 | 44.7 | 66.7 | 20.9 | 49.0 | |
| 1. Change in foreign official assets in the U.S. (increase, +) | 91.5 | 206.9 | 40.9 | 56.2 | 45.3 | 64.5 | 19.1 | 48.5 | |
| a. G-10 countries | 30.7 | 115.7 | 27.7 | 24.5 | 16.2 | 47.3 | 9.4 | 37.8 | |
| b. OPEC countries | -7.5 | 6.2 | -7.6 | 1.1 | 2.1 | 10.5 | 3.5 | 1.6 | |
| c. All other countries | 68.2 | 85.0 | 20.8 | 30.6 | 27.0 | 6.6 | 6.2 | 9.1 | |
| 2. Change in U.S. official reserve assets (decrease, +) | -3.7 | 1.5 | .1 | -.2 | -.6 | 2.2 | 1.8 | .5 | |
| Private financial flows | 440.2 | 370.6 | 100.4 | 94.7 | 61.2 | 114.3 | ... | ... | |
| Banks | | | | | | | | | |
| 3. Change in net foreign positions of banking offices in the U.S. ¹ | 147.0 | 69.4 | -12.7 | -19.4 | 6.3 | 95.2 | 4.8 | 31.7 | |
| Securities ² | | | | | | | | | |
| 4. Foreign net purchases of U.S. securities (+) | 407.9 | 379.0 | 66.5 | 142.5 | 61.1 | 108.9 | 51.0 | 56.2 | |
| a. Treasury securities | 110.7 | 137.7 | 11.3 | 55.5 | 50.6 | 20.4 | 15.8 | 16.6 | |
| b. Agency bonds | 78.1 | -47.9 | -2.3 | -1.6 | -44.4 | .4 | 3.5 | 13.9 | |
| c. Corporate and municipal bonds | 160.3 | 249.1 | 59.6 | 67.3 | 57.6 | 64.6 | 18.3 | 11.1 | |
| d. Corporate stocks ³ | 58.8 | 40.0 | -2.1 | 21.3 | -2.7 | 23.5 | 13.4 | 14.5 | |
| 5. U.S. net acquisitions (-) of foreign securities | 15.5 | -74.3 | -27.5 | 8.5 | -29.0 | -26.2 | -8.3 | -9.3 | |
| a. Bonds | 33.5 | 26.9 | 7.2 | 25.5 | 1.3 | -7.0 | .6 | 4.9 | |
| b. Stock purchases | -14.8 | -83.8 | -20.1 | -17.0 | -30.3 | -16.5 | -6.1 | -14.1 | |
| c. Stock swaps ³ | -3.2 | -17.4 | -14.7 | .0 | .0 | -2.8 | -2.8 | .0 | |
| Other flows (quarterly data, s.a.) | | | | | | | | | |
| 6. U.S. direct investment (-) abroad | -137.8 | -154.8 | -33.8 | -29.2 | -42.2 | -49.6 | ... | ... | |
| 7. Foreign direct investment in U.S. | 39.6 | 82.0 | 34.5 | 22.5 | 1.8 | 23.2 | ... | ... | |
| 8. Foreign holdings of U.S. currency | 21.5 | 16.6 | 4.9 | 1.5 | 2.8 | 7.5 | ... | ... | |
| 9. Other (inflow, +) ⁴ | -53.6 | 52.6 | 68.5 | -31.5 | 60.3 | -44.7 | ... | ... | |
| U.S. current account balance (s.a.) | -480.9 | -541.8 | -139.2 | -139.8 | -135.3 | -127.5 | ... | ... | |
| Capital account balance (s.a.)⁵ | -1.3 | -3.1 | -.4 | -1.6 | -.8 | -.3 | ... | ... | |
| Statistical discrepancy (s.a.) | -45.8 | -34.1 | -1.8 | -9.3 | 30.2 | -53.1 | ... | ... | |

NOTE: Data in lines 1 through 5 differ in timing and coverage from the balance of payments data published by the Department of Commerce. 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 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.