

## **Prefatory Note**

The attached document represents the most complete and accurate version available based on original copies culled from the files of the FOMC Secretariat at the Board of Governors of the Federal Reserve System. This electronic document was created through a comprehensive digitization process which included identifying the best-preserved paper copies, scanning those copies,<sup>1</sup> and then making the scanned versions text-searchable.<sup>2</sup> Though a stringent quality assurance process was employed, some imperfections may remain.

Please note that this document may contain occasional gaps in the text. These gaps are the result of a redaction process that removed information obtained on a confidential basis. All redacted passages are exempt from disclosure under applicable provisions of the Freedom of Information Act.

---

<sup>1</sup> In some cases, original copies needed to be photocopied before being scanned into electronic format. All scanned images were deskewed (to remove the effects of printer- and scanner-introduced tilting) and lightly cleaned (to remove dark spots caused by staple holes, hole punches, and other blemishes caused after initial printing).

<sup>2</sup> A two-step process was used. An advanced optimal character recognition computer program (OCR) first created electronic text from the document image. Where the OCR results were inconclusive, staff checked and corrected the text as necessary. Please note that the numbers and text in charts and tables were not reliably recognized by the OCR process and were not checked or corrected by staff.

CONFIDENTIAL (FR)  
CLASS III - FOMC

June 28, 1991

SUPPLEMENT  
CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the  
Federal Open Market Committee

By the Staff  
Board of Governors  
of the Federal Reserve System

TABLE OF CONTENTS

	Page
<b>THE DOMESTIC NONFINANCIAL ECONOMY</b>	
Personal income and outlays. . . . .	1
Probability of expansion . . . . .	1
Revised greensheets. . . . .	2
<u>Tables</u>	
Personal income. . . . .	3
Real personal consumption expenditures . . . . .	3
Recent data on coincident indicators . . . . .	4
Revised greensheets. . . . .	6-11
<u>Charts</u>	
Composite index of leading indicators. . . . .	5
Probability of expansion . . . . .	5
<b>THE FINANCIAL ECONOMY</b>	
<u>Tables</u>	
Monetary aggregates . . . . .	12
Commercial bank credit and short- and intermediate-term business credit . . . . .	13
Selected financial market quotations . . . . .	14
<b>THE INTERNATIONAL ECONOMY</b>	
Prices of imports and exports. . . . .	15
Erratum. . . . .	15
<u>Table</u>	
Import and export price measures . . . . .	16

## SUPPLEMENTAL NOTES

### THE DOMESTIC NONFINANCIAL ECONOMY

#### Personal Income and Outlays

Personal income increased \$23.8 billion at an annual rate in May. A rise in private wages and salaries, which accompanied the increases last month in employment and hours, accounted for more than half of the gain. While personal interest and farm proprietors' income fell again in May, nonfarm proprietors' income rose for the fourth consecutive month. In real terms, disposable personal income rose \$10 billion in May, more than offsetting a \$5.1 billion decline in April. But with increases in outlays outpacing gains in income, the personal saving rate fell back to 3.6 percent in May, from its upward revised level of 4.0 percent in April.

Real personal consumption expenditures increased 0.9 percent in May. Outlays for durable goods rose 2.4 percent, in part because of a 4.0 percent increase in expenditures for motor vehicles. Nondurable goods outlays increased 0.6 percent, with gains being recorded in most major components except gasoline and oil. Expenditures for service items rose 0.6 percent in May, as unusually warm weather pushed outlays for electricity up 9-1/4 percent. Excluding energy items, spending on services rose a modest 0.2 percent; the gain in this category was held down by declines in the personal business and net foreign travel components of spending.

#### Probability of Expansion

The Commerce Department's composite index of leading economic indicators rose 0.8 percent in May--its fourth consecutive monthly increase. Initial claims, manufacturers' new orders, and building permits accounted for almost all of the increase in May. A decline in

the index of consumer expectations provided some offset, while other components were little changed. The May reading implies a 95 percent probability that a cyclical trough has already occurred or is imminent (chart).

The composite index of coincident economic indicators edged up 0.2 percent in May, the first gain posted by the index since July 1990. All of the available components of the index rose last month, providing further evidence that the economy has bottomed out.

Revised Greensheets

The following pages show revised versions of the greensheets, which incorporate the Commerce Department's final estimate of GNP for the first quarter of 1991. These data were in line with our expectations and did not necessitate modifications to the forecast for subsequent quarters.

PERSONAL INCOME  
(Average monthly change at an annual rate; billions of dollars)

	1990	1990	1991	1991		
		Q4	Q1	Mar.	Apr.	May
Total personal income	20.5	15.2	2.4	17.1	4.7	23.8
Wages and salaries	10.9	2.1	-2.7	3.7	4.6	15.7
Private	8.2	-.2	-6.6	1.3	4.1	14.4
Other labor income	1.3	1.0	1.0	1.0	1.0	1.0
Proprietors' income	2.1	4.9	1.9	12.6	-3.3	2.0
Farm	.5	4.8	1.9	11.5	-5.2	-1.3
Rent	.7	-.6	-1.1	-.2	.3	.7
Dividend	.7	.6	-.6	-2.3	-.1	.4
Interest	1.6	.5	-3.2	-3.2	-2.0	-1.0
Transfer payments	5.2	6.7	9.6	5.6	4.5	6.1
Less: Personal contributions for social insurance	1.1	.1	2.5	.2	.3	1.1
Less: Personal tax and nontax payments	4.0	1.9	-2.0	1.0	2.0	1.4
Equals: Disposable personal income	16.5	13.2	4.3	16.1	2.7	22.4
Memo: Real disposable income	-.8	-1.1	-4.8	10.3	-5.1	10.0

REAL PERSONAL CONSUMPTION EXPENDITURES  
(Percent change from the preceding period)

	1990	1990	1991	1991		
		Q4	Q1	Mar.	Apr.	May
		-Annual rate-		----Monthly rate----		
Personal consumption expenditures	.1	-3.4	-1.5	1.1	-.6	.9
Durable goods	-1.8	-12.3	-11.7	3.8	-3.6	2.4
Excluding motor vehicles	-1.1	-5.8	-.8	.2	-.4	1.3
Nondurable goods	-2.4	-6.5	-1.8	.5	-.8	.6
Excluding gasoline	-2.3	-7.3	-1.3	.4	-.7	.8
Services	2.5	1.8	2.1	.6	.4	.6
Excluding energy	3.1	1.8	3.2	.3	.5	.2
Memo:						
Personal saving rate (percent)	4.6	4.2	4.2	3.6	4.0	3.6

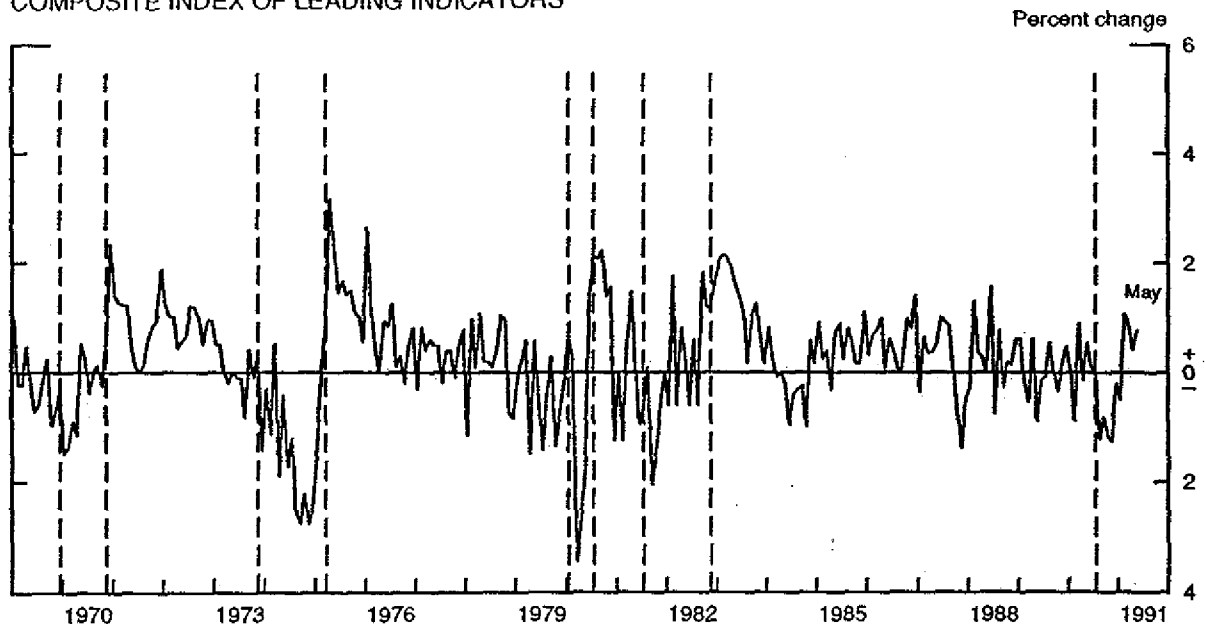
RECENT DATA ON COINCIDENT INDICATORS

		1990	1991				
		Dec.	Jan.	Feb.	Mar.	Apr.	May
Industrial production	(index) <sup>1</sup>	107.2	106.6	105.7	<b>105.0</b>	105.3	105.8
Capacity utilization	(percent)	80.6	80.0	79.1	<b>78.4</b>	78.5	78.7
Total civilian employment	(millions)	117.6	116.9	116.9	116.8	117.4	<b>116.6</b>
Nonfarm civilian employment	(millions)	114.3	113.8	113.7	113.7	114.2	<b>113.3</b>
Nonfarm payroll employment	(millions) <sup>1</sup>	109.6	109.4	109.2	108.9	<b>108.7</b>	108.8
Nonfarm payroll hours	(billions)	203.3	200.8	201.2	200.4	<b>199.5</b>	200.4
Personal income	(billions \$82)	3400.2	3366.9	<b>3366.5</b>	3378.7	3372.4	3382.1
Disposable income	(billions \$82)	2883.5	<b>2857.8</b>	2858.9	2869.2	2864.1	2874.1
Personal income less transfer payments	(billions \$82) <sup>1</sup>	2883.2	2838.3	<b>2837.0</b>	2845.2	2837.2	2843.7
Retail sales	(billions)	149.8	<b>147.8</b>	151.1	151.5	150.9	152.5
Retail sales	(billions \$82)	118.8	<b>117.1</b>	119.7	120.3	119.8	120.6
PCE	(billions \$82)	2672.8	<b>2643.1</b>	2660.1	2688.0	2670.7	2694.3
Manufacturing and trade sales	(billions)	534.4	527.1	527.9	<b>523.1</b>	529.6	--
Manufacturing and trade sales	(billion \$82) <sup>1</sup>	461.2	457.1	459.1	<b>457.0</b>	464.0	--
Composite coincident index		129.3	127.3	126.6	126.0	<b>126.0</b>	126.2

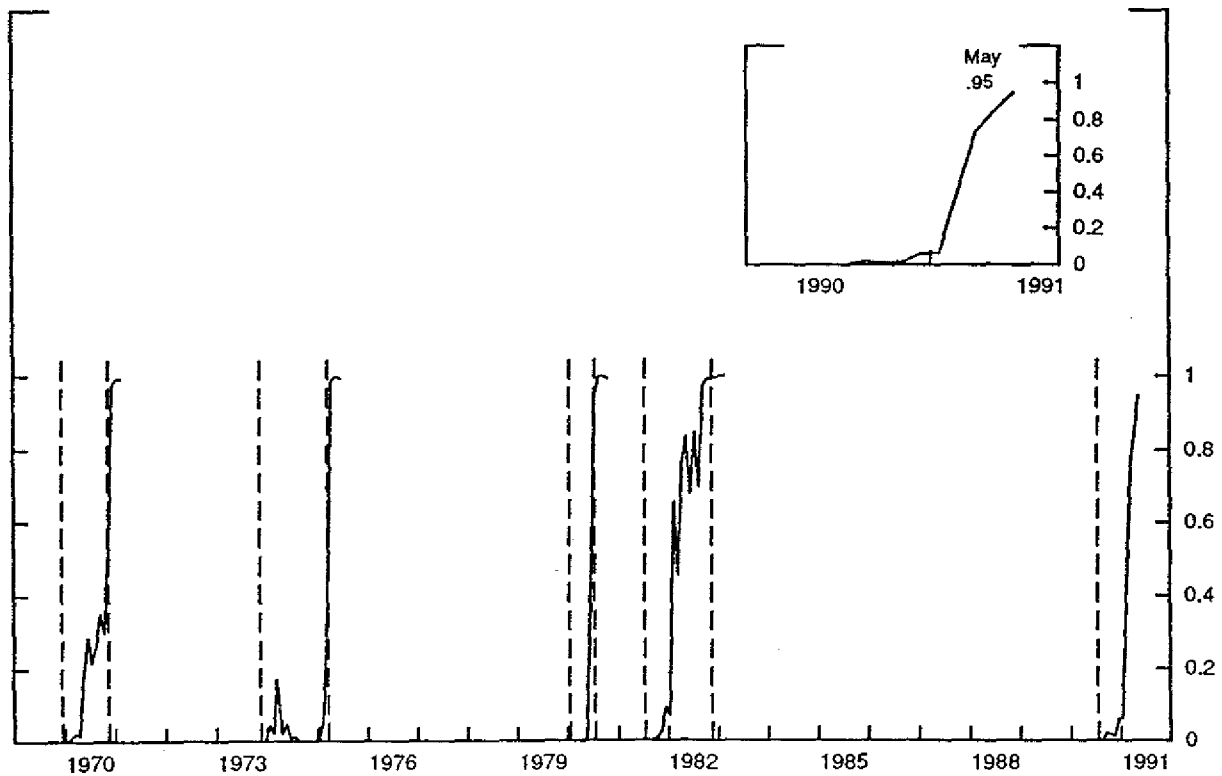
1. Components of composite coincident index.

Note: Low values reached by indicators since July 1990 are in bold.

### COMPOSITE INDEX OF LEADING INDICATORS



### PROBABILITY OF EXPANSION \*



\*Each probability represents the likelihood that an expansion has begun or will begin during the next three months.



June 28, 1991

CONFIDENTIAL - FR  
CLASS II FOMC

STAFF GNP PROJECTIONS

Percent changes, annual rate

		Nominal GNP		Real GNP		GNP fixed-weight price index		Consumer Price Index <1>		Unemployment rate (percent)	
		5/8/91	6/28/91	5/8/91	6/28/91	5/8/91	6/28/91	5/8/91	6/28/91	5/8/91	6/28/91
<b>Annual changes:</b>											
1988	<2>	7.9	7.9	4.5	4.5	4.2	4.2	4.1	4.1	5.5	5.5
1989	<2>	6.7	6.7	2.5	2.5	4.5	4.5	4.8	4.8	5.3	5.3
1990	<2>	5.1	5.1	1.0	1.0	4.6	4.6	5.4	5.5	5.5	5.5
1991		3.7	3.8	-.1	.1	4.1	4.1	4.5	4.4	6.7	6.7
1992		6.4	6.6	3.2	3.2	3.4	3.6	3.5	3.7	6.3	6.4
<b>Quarterly changes:</b>											
1989	Q1 <2>	7.5	7.5	3.6	3.6	4.9	4.9	5.1	5.1	5.2	5.2
	Q2 <2>	5.8	5.8	1.6	1.6	4.6	4.6	6.0	6.0	5.3	5.3
	Q3 <2>	5.1	5.1	1.7	1.7	3.1	3.1	3.3	3.3	5.3	5.3
	Q4 <2>	3.9	3.9	.3	.3	3.8	3.8	3.9	3.9	5.3	5.3
90	Q1 <2>	6.7	6.7	1.7	1.7	6.6	6.6	7.5	7.5	5.3	5.3
	Q2 <2>	5.1	5.1	.4	.4	3.9	3.9	3.8	3.8	5.3	5.3
	Q3 <2>	5.3	5.3	1.4	1.4	4.2	4.2	7.0	7.0	5.6	5.6
	Q4 <2>	.9	.9	-1.6	-1.6	4.7	4.7	6.9	6.9	5.9	5.9
1991	Q1 <2>	2.6	2.2	-2.8	-2.8	5.1	5.2	3.6	3.6	6.5	6.5
	Q2	3.0	3.3	-.2	.2	3.1	3.1	2.7	2.2	6.8	6.8
	Q3	7.5	8.1	4.1	4.8	3.5	3.6	4.0	4.0	6.8	6.8
	Q4	7.4	7.5	4.0	4.1	3.5	3.5	3.6	3.8	6.6	6.6
1992	Q1	7.2	7.3	3.5	3.3	4.0	4.1	3.8	4.1	6.4	6.5
	Q2	6.0	6.0	3.1	2.7	3.3	3.5	3.5	3.6	6.3	6.4
	Q3	5.4	5.6	2.8	2.6	3.0	3.3	3.1	3.5	6.3	6.4
	Q4	5.1	5.5	2.6	2.5	2.9	3.3	3.1	3.5	6.2	6.3
<b>Two-quarter changes: &lt;3&gt;</b>											
1989	Q2 <2>	6.7	6.7	2.6	2.6	4.7	4.7	5.6	5.6	.0	.0
	Q4 <2>	4.5	4.5	1.0	1.0	3.4	3.4	3.6	3.6	.0	.0
1990	Q2 <2>	5.9	5.9	1.1	1.1	5.3	5.3	5.6	5.6	.0	.0
	Q4 <2>	3.1	3.1	-.1	-.1	4.4	4.4	6.9	6.9	.6	.6
1991	Q2	2.8	2.8	-1.5	-1.3	4.2	4.2	3.1	2.9	.9	.9
	Q4	7.4	7.8	4.0	4.4	3.5	3.5	3.8	3.9	-.2	-.2
1992	Q2	6.6	6.6	3.3	3.0	3.6	3.8	3.7	3.8	-.3	-.2
	Q4	5.3	5.6	2.7	2.5	3.0	3.3	3.1	3.5	-.1	-.1
<b>Four-quarter changes: &lt;4&gt;</b>											
1988	Q4 <2>	7.8	7.8	3.5	3.5	4.6	4.6	4.3	4.3	-.5	-.5
1989	Q4 <2>	5.6	5.6	1.8	1.8	4.0	4.0	4.6	4.6	.0	.0
1990	Q4 <2>	4.5	4.5	.5	.5	4.8	4.8	6.3	6.3	.6	.6
1	Q4	5.1	5.3	1.2	1.5	3.8	3.9	3.5	3.4	.7	.7
2	Q4	5.9	6.1	3.0	2.8	3.3	3.5	3.4	3.7	-.4	-.3

<1> For all urban consumers.

<2> Actual.

<3> Percent change from two quarters earlier.

<4> Percent change from four quarters earlier.

	Units	1984	1985	1986	1987	1988	1989	1990	Projection	
									1991	1992
<b>EXPENDITURES</b>										
Nominal GNP	Billions of \$	3772.2	4014.9	4231.6	4515.6	4873.7	5200.8	5465.1	5673.0	6048.3
Real GNP	Billions of 82\$	3501.4	3618.7	3717.9	3845.3	4016.9	4117.7	4157.3	4160.6	4293.5
Real GNP	Percent change*	5.1	3.6	1.9	5.0	3.5	1.8	.5	1.5	2.8
Gross domestic purchases		6.4	4.3	2.1	4.2	2.6	1.1	-.5	1.4	3.0
Final sales		4.7	4.6	2.7	3.1	4.5	1.7	1.6	.6	2.4
Private dom. final purchases		5.6	4.6	2.9	2.5	4.0	1.2	-.1	.6	3.5
Personal consumption expend.		4.1	4.6	3.8	2.3	4.1	1.2	.1	1.6	2.8
Durables		10.8	7.0	11.5	-1.2	9.3	-1.4	-1.8	1.3	4.1
Nondurables		2.3	3.3	2.9	1.3	2.4	.6	-2.4	.2	2.0
Services		3.5	5.0	2.1	4.1	3.7	2.4	2.5	2.7	2.9
Business fixed investment		13.8	3.7	-5.5	6.1	5.3	4.5	2.2	-3.8	5.9
Producers' durable equipment		14.9	4.6	.4	8.2	8.2	5.4	4.6	-2.8	8.6
Nonresidential structures		11.8	1.9	-17.7	.8	-2.7	1.7	-5.4	-7.5	-4.0
Residential structures		6.1	5.8	11.6	-2.2	-.1	-7.1	-10.2	-1.2	8.8
Exports		5.9	-2.4	10.6	19.8	14.0	10.1	5.8	3.5	6.0
Imports		17.4	4.5	10.0	10.4	5.5	4.5	-.5	2.5	7.5
Government purchases		7.9	8.6	3.1	2.0	1.1	.3	3.8	-.4	-1.0
Federal		13.0	13.3	.5	1.5	-1.6	-2.8	5.2	-.5	-4.5
Defense		6.5	7.1	6.0	4.0	-1.8	-2.1	4.0	-2.5	-7.6
State and local		4.4	4.9	5.2	2.3	3.1	2.6	2.7	-.4	1.6
Change in business inventories	Billions of 82\$	62.3	9.1	5.6	22.8	23.6	23.8	-3.6	-13.5	29.1
Nonfarm	Billions of 82\$	57.8	13.4	8.0	28.7	26.5	18.7	-5.1	-15.6	26.8
Net exports	Billions of 82\$	-84.0	-104.3	-129.7	-118.5	-75.9	-54.1	-33.8	-.6	-10.1
Nominal GNP	Percent change*	8.6	6.6	4.6	8.2	7.8	5.6	4.5	5.3	6.1
<b>EMPLOYMENT AND PRODUCTION</b>										
Nonfarm payroll employment	Millions	94.5	97.5	99.5	102.2	105.5	108.4	110.3	109.2	110.9
Unemployment rate	Percent	7.5	7.2	7.0	6.2	5.5	5.3	5.5	6.7	6.4
Industrial production index	Percent change*	4.7	1.9	1.4	6.5	4.5	1.1	.3	.6	4.3
Capacity utilization rate-mfg.	Percent	80.4	79.5	79.0	81.4	83.9	83.9	82.3	78.1	79.3
Housing starts	Millions	1.77	1.74	1.81	1.62	1.49	1.38	1.19	1.01	1.15
Auto sales	Millions	10.35	11.03	11.44	10.23	10.65	9.89	9.53	8.69	9.43
Domestic	Millions	7.92	8.22	8.22	7.06	7.55	7.06	6.92	6.31	6.85
Foreign	Millions	2.43	2.82	3.22	3.18	3.10	2.83	2.61	2.38	2.58
<b>INCOME AND SAVING</b>										
Nominal personal income	Percent change*	8.4	6.6	5.8	8.1	7.6	6.8	5.6	4.6	6.8
Real disposable income	Percent change*	4.3	2.7	3.3	2.7	4.3	1.7	-.4	1.2	2.8
Personal saving rate	Percent	6.1	4.4	4.1	2.9	4.2	4.6	4.6	3.9	4.0
Corp. profits with IVA & CCAdj	Percent change*	7.4	9.2	-5.6	17.4	8.2	-16.8	-.7	15.7	4.2
Profit share of GNP	Percent	7.1	7.0	6.7	6.8	6.9	6.0	5.5	5.4	5.7
Federal govt. surplus/deficit	Billions of \$	-169.6	-196.9	-206.9	-158.2	-141.7	-134.3	-166.0	-150.5	-154.8
State and local govt. surplus		64.6	65.1	62.8	51.0	46.5	46.4	35.4	40.4	69.3
Exc. social insurance funds		19.8	13.8	5.6	-8.3	-16.4	-19.9	-34.0	-32.1	-6.8
<b>PRICES AND COSTS</b>										
GNP implicit deflator	Percent change*	3.4	2.9	2.6	3.0	4.1	3.7	4.0	3.7	3.2
GNP fixed-weight price index		3.7	3.3	2.6	3.8	4.6	4.0	4.8	3.9	3.5
Cons. & fixed invest. prices		3.3	3.4	2.5	4.5	4.3	4.3	5.3	3.3	3.4
CPI		4.2	3.5	1.3	4.5	4.3	4.6	6.3	3.4	3.7
Exc. food and energy		5.0	4.3	3.9	4.3	4.5	4.3	5.3	4.6	3.7
ECI hourly compensation		4.7	4.0	3.1	3.4	4.8	4.7	4.7	4.1	3.7
Nonfarm business sector										
Output per hour		1.5	1.6	1.3	2.3	1.8	-1.6	-.3	2.6	1.6
Compensation per hour		4.2	4.6	4.9	3.7	4.2	2.2	4.4	4.2	3.8
Unit labor costs		2.6	3.0	3.6	1.4	2.3	3.9	4.7	1.5	2.2

\* Percent changes are from fourth quarter to fourth quarter.

June 28, 1991

CONFIDENTIAL - FR  
CLASS II FOMC

GROSS NATIONAL PRODUCT AND RELATED ITEMS  
(Seasonally adjusted; annual rate)

	Units	1988				1989				1990	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>EXPENDITURES</b>											
Nominal GNP	Billions of \$	4735.8	4831.4	4917.9	5009.8	5101.3	5174.0	5238.6	5289.3	5375.4	5443.3
Real GNP	Billions of 82\$	3970.2	4005.8	4032.1	4059.3	4095.7	4112.2	4129.7	4133.2	4150.6	4155.1
Real GNP	Percent Change	5.1	3.6	2.7	2.7	3.6	1.6	1.7	.3	1.7	.4
Gross domestic purchases		1.6	3.0	3.2	2.4	1.2	1.8	2.8	-1.2	.5	1.3
Final sales		7.1	5.1	1.1	4.6	2.4	1.7	1.8	.9	3.8	-.7
Private dom. final purchases		6.7	4.8	3.0	1.7	.8	1.4	4.1	-1.5	2.4	-1.2
Personal consumption expend.		6.9	2.7	3.5	3.5	-.3	1.3	4.6	-.8	1.1	.2
Durables		21.8	3.7	-1.1	14.1	-6.0	5.6	9.6	-13.0	14.4	-9.5
Nondurables		2.6	2.0	4.1	1.2	.6	-1.7	3.9	-.2	-3.2	-1.9
Services		5.6	2.9	4.5	1.9	.9	2.1	3.5	3.1	.1	5.1
Business fixed investment		11.4	15.7	1.6	-6.3	8.9	6.9	6.3	-3.8	5.0	-4.7
Producers' durable equipment		20.3	17.9	2.2	-5.5	9.5	12.2	6.1	-5.2	5.7	-3.3
Nonresidential structures		-10.5	9.9	-.3	-8.7	7.5	-8.2	7.1	1.3	2.3	-9.0
Residential structures		-6.8	6.8	.4	-.4	-3.6	-11.3	-7.6	-5.5	15.1	-11.2
Exports		31.7	4.4	5.4	16.7	15.8	12.4	-.5	13.5	11.2	-5.0
Imports		.5	.3	9.2	12.4	-2.3	12.8	6.4	1.7	2.5	.7
Government purchases		-9.2	3.3	-3.8	15.7	-3.3	4.0	-2.4	3.0	2.9	6.2
Federal		-24.1	3.5	-10.4	33.6	-9.1	7.0	-7.9	-.4	.4	16.4
Defense		-5.6	-1.4	-5.0	4.9	-10.9	3.2	7.2	-7.0	-1.7	3.3
State and local		3.9	3.2	1.2	4.3	1.3	1.8	1.8	5.6	4.8	-.6
Change in business inventories	Billions of 82\$	31.0	16.9	32.6	14.0	26.1	25.5	24.6	18.9	-2.2	9.5
Nonfarm	Billions of 82\$	28.8	19.2	31.0	27.2	16.4	21.5	21.7	15.3	-8.2	11.6
at exports	Billions of 82\$	-77.3	-72.2	-78.5	-75.7	-51.1	-53.3	-64.1	-47.9	-35.4	-44.6
Nominal GNP	Percent change	7.8	8.3	7.4	7.7	7.5	5.8	5.1	3.9	6.7	5.1
<b>EMPLOYMENT AND PRODUCTION</b>											
Nonfarm payroll employment	Millions	104.3	105.1	105.9	106.8	107.6	108.1	108.5	109.0	109.7	110.2
Unemployment rate	Percent*	5.7	5.5	5.5	5.3	5.2	5.3	5.3	5.3	5.3	5.3
Industrial production index	Percent change	5.0	4.2	5.9	2.8	2.7	2.8	-1.2	.2	.6	4.2
Capacity utilization rate-mfg.	Percent*	83.1	83.6	84.3	84.6	84.7	84.5	83.7	82.9	82.7	82.8
Housing starts	Millions	1.43	1.49	1.48	1.55	1.46	1.36	1.35	1.35	1.43	1.20
Auto sales	Millions	10.91	10.67	10.15	10.88	10.03	10.26	10.20	9.09	10.01	9.53
Domestic	Millions	7.60	7.50	7.20	7.89	7.08	7.26	7.36	6.56	7.11	6.78
Foreign	Millions	3.30	3.17	2.95	2.99	2.95	3.00	2.84	2.53	2.90	2.75
<b>INCOME AND SAVING</b>											
Nominal personal income	Percent change	6.4	8.6	8.1	7.4	11.6	5.8	3.7	6.2	8.6	5.3
Real disposable income	Percent change	7.3	2.7	4.9	2.3	4.2	-1.2	2.7	1.2	2.5	.3
Personal saving rate	Percent*	4.0	4.1	4.5	4.1	5.2	4.6	4.1	4.6	4.9	5.0
Corp. profits with IVA & CCAdj	Percent change	9.5	6.6	-1.7	19.5	-23.2	-7.0	-17.1	-19.1	8.4	13.9
Profit share of GNP	Percent*	7.0	7.0	6.8	7.0	6.4	6.2	5.9	5.5	5.5	5.6
Federal govt. surplus/deficit	Billions of \$	-153.7	-136.9	-120.1	-156.3	-132.6	-122.7	-131.7	-150.1	-168.3	-166.0
State and local govt. surplus		45.5	48.3	46.8	45.2	48.9	50.3	48.1	38.5	38.1	38.6
Exc. social insurance funds		-15.6	-14.1	-17.0	-19.0	-16.2	-15.6	-18.7	-29.1	-30.2	-30.4
<b>PRICES AND COSTS</b>											
GNP implicit deflator	Percent change	2.7	4.4	4.7	4.7	3.9	3.9	3.2	3.8	4.8	4.7
GNP fixed-weight price index		3.9	4.7	5.5	4.4	4.9	4.6	3.1	3.8	6.6	3.9
Cons. & fixed invest. prices		2.9	4.9	4.5	5.0	5.0	5.3	2.3	4.6	6.8	2.6
CPI		3.2	4.5	5.2	4.4	5.1	6.0	3.3	3.9	7.5	3.8
Exc. food and energy		4.1	4.7	4.6	4.6	4.9	4.2	3.8	4.7	5.9	4.9
CI hourly compensation**		5.2	5.2	3.8	5.1	4.2	4.9	5.3	4.4	5.6	5.1
Nonfarm business sector											
Output per hour		4.7	-.5	2.8	.2	-2.7	-.3	-1.0	-2.5	-1.3	.3
Compensation per hour		2.4	5.1	5.3	3.8	3.3	1.7	1.6	2.3	3.9	5.0
Unit labor costs		-2.2	5.7	2.5	3.6	6.1	2.0	2.6	5.0	5.3	4.7

\* Not at an annual rate.  
\*\* Private industry workers

June 28, 1991

CONFIDENTIAL - FR  
CLASS II FOMCGROSS NATIONAL PRODUCT AND RELATED ITEMS  
(Seasonally adjusted; annual rate)

	Units	Projection									
		1990		1991				1992			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>EXPENDITURES</b>											
Nominal GNP	Billions of \$	5514.6	5527.3	5557.7	5603.3	5713.2	5817.9	5920.9	6007.8	6090.9	6173.4
Real GNP	Billions of \$2\$	4170.0	4153.4	4124.1	4126.5	4174.8	4217.2	4251.5	4280.3	4307.8	4334.3
Real GNP	Percent Change	1.4	-1.6	-2.8	.2	4.8	4.1	3.3	2.7	2.6	2.5
Gross domestic purchases		1.6	-5.1	-4.3	1.6	4.1	4.4	3.6	3.1	2.6	2.8
Final sales		1.9	1.4	-2.9	.9	2.7	1.7	2.1	2.3	2.7	2.4
Private dom. final purchases		2.3	-3.8	-5.1	2.4	2.6	2.9	3.4	3.5	3.6	3.5
Personal consumption expend.		2.7	-3.4	-1.5	3.4	2.2	2.5	3.0	2.8	2.7	2.7
Durables		2.6	-12.3	-11.7	7.7	5.2	5.0	6.5	3.5	3.4	3.0
Nondurables		2.3	-6.5	-1.8	.3	1.2	1.2	1.8	2.2	2.1	2.1
Services		3.0	1.8	2.1	4.1	2.0	2.5	2.7	2.9	2.9	2.9
Business fixed investment		8.9	.1	-16.3	-2.8	1.5	3.5	4.4	5.9	6.5	6.8
Producers' durable equipment		10.2	6.3	-18.4	-1.8	4.6	6.5	7.6	8.8	9.0	9.0
Nonresidential structures		5.1	-18.2	-9.0	-6.1	-8.3	-6.5	-6.6	-4.7	-3.0	-1.9
Residential structures		-19.8	-20.6	-25.3	3.7	12.1	9.6	8.2	9.1	9.6	8.3
Exports		6.9	11.0	.5	-1.0	6.4	8.2	6.3	6.1	5.7	5.8
Imports		7.6	-11.8	-8.8	7.7	1.9	10.4	8.5	8.1	5.9	7.6
Government purchases		1.2	4.7	-1.3	1.5	-.4	-1.4	-1.4	-1.1	-.9	-.7
Federal		.1	4.6	-.5	4.2	-.8	-4.6	-4.7	-4.6	-4.4	-4.5
Defense		2.7	12.1	2.7	-1.3	-3.7	-7.5	-7.8	-7.7	-7.5	-7.6
State and local		2.0	4.9	-1.9	-.4	-.1	.9	1.1	1.5	1.7	2.0
Change in business inventories	Billions of \$2\$	4.7	-26.4	-25.0	-31.8	-10.8	13.5	25.6	30.5	29.7	30.4
Nonfarm	Billions of \$2\$	4.7	-28.5	-28.1	-33.9	-11.9	11.6	23.3	28.2	27.4	28.1
Net exports	Billions of \$2\$	-46.5	-8.8	7.1	-6.7	.3	-3.0	-6.6	-10.0	-10.3	-13.5
Real GNP	Percent change	5.3	.9	2.2	3.3	8.1	7.5	7.3	6.0	5.6	5.5
<b>EMPLOYMENT AND PRODUCTION</b>											
Nonfarm payroll employment	Millions	110.2	109.8	109.2	108.8	109.1	109.7	110.2	110.7	111.1	111.5
Unemployment rate	Percent*	5.6	5.9	6.5	6.8	6.8	6.6	6.5	6.4	6.4	6.3
Industrial production index	Percent change	3.9	-7.0	-9.6	.0	7.2	5.7	5.1	4.8	3.8	3.7
Capacity utilization rate-mfg.	Percent*	82.9	80.8	78.0	77.4	78.2	78.7	79.0	79.3	79.4	79.5
Housing starts	Millions	1.13	1.04	.92	.99	1.05	1.07	1.11	1.13	1.16	1.19
Auto sales	Millions	9.68	8.93	8.25	8.43	8.96	9.15	9.35	9.40	9.45	9.50
Domestic	Millions	7.21	6.59	6.00	6.06	6.55	6.65	6.80	6.83	6.86	6.90
Foreign	Millions	2.47	2.34	2.25	2.37	2.41	2.50	2.55	2.57	2.59	2.60
<b>INCOME AND SAVING</b>											
Nominal personal income	Percent change	5.0	3.5	1.5	4.2	5.4	7.3	8.4	6.3	6.2	6.5
Real disposable income	Percent change	-.7	-3.5	-1.5	1.8	1.3	3.2	3.9	2.4	2.4	2.6
Personal saving rate	Percent*	4.2	4.2	4.2	3.9	3.7	3.9	4.1	4.0	4.0	4.0
Corp. profits with IVA & CCAdj	Percent change	-7.5	-14.8	-3.7	-4.2	57.4	23.3	12.5	.3	-1.4	5.8
Profit share of GNP	Percent*	5.5	5.2	5.1	5.1	5.6	5.7	5.8	5.7	5.6	5.6
Federal govt. surplus/deficit	Billions of \$	-145.7	-184.3	-126.9	-155.2	-148.4	-171.5	-169.1	-157.8	-146.3	-146.0
State and local govt. surplus		39.3	25.7	30.0	33.6	44.2	53.7	61.3	66.9	72.1	76.9
Exc. social insurance funds		-30.5	-44.8	-41.0	-38.4	-28.7	-20.1	-13.4	-8.7	-4.4	-.5
<b>PRICES AND COSTS</b>											
GNP implicit deflator	Percent change	3.7	2.8	5.2	3.0	3.2	3.3	3.8	3.2	3.0	3.0
GNP fixed-weight price index		4.2	4.7	5.2	3.1	3.6	3.5	4.1	3.5	3.3	3.3
Cons. & fixed invest. prices		5.4	6.4	3.1	2.6	3.8	3.5	3.5	3.4	3.3	3.3
CPI		7.0	6.9	3.6	2.2	4.0	3.8	4.1	3.6	3.5	3.5
Exc. food and energy		6.1	4.2	6.8	3.2	4.1	4.1	4.3	3.7	3.5	3.5
ECI hourly compensation**		4.3	3.8	4.6	4.2	3.9	3.8	3.8	3.7	3.7	3.6
Nonfarm business sector											
Output per hour		.6	-.7	.3	3.5	4.4	2.3	1.8	1.6	1.5	1.4
Compensation per hour		4.7	3.9	4.0	4.5	4.2	3.9	4.3	3.7	3.6	3.6
Unit labor costs		4.1	4.7	3.7	1.0	-.2	1.6	2.5	2.1	2.1	2.2

\* Not at an annual rate.

\*\* Private industry workers

GROSS NATIONAL PRODUCT AND RELATED ITEMS  
(Net changes, billions of 1982 dollars)

June 28, 1991

	1988				1989				1990		1987	1988	1989	1990
											(fourth quarter to fourth quarter, net change)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
Real GNP	49.5	35.6	26.3	27.2	36.4	16.5	17.5	3.5	17.4	4.5	187.1	138.6	73.9	20.2
Gross domestic purchases	15.5	30.5	32.6	24.4	11.8	18.7	28.3	-12.7	4.9	13.7	163.0	103.0	46.1	-18.9
Final sales	66.9	49.7	10.6	45.7	24.4	17.0	18.5	9.3	38.4	-7.2	117.9	172.9	69.2	65.4
Private dom. final purchases	51.8	38.3	24.4	14.2	6.5	11.4	34.1	-12.9	20.2	-10.3	78.5	128.7	39.1	-3.8
Personal consumption expend.	42.6	17.3	22.3	22.4	-2.1	8.6	30.0	-5.4	7.4	1.5	56.4	104.6	31.1	3.7
Durables	19.8	3.8	-1.1	13.9	-6.6	5.8	9.9	-15.0	14.5	-10.8	-4.9	36.4	-5.9	-7.5
Nondurables	5.7	4.4	9.1	2.7	1.4	-3.9	8.8	-.4	-7.4	-4.4	11.7	21.9	5.9	-21.8
Services	17.1	9.1	14.2	6.0	3.0	6.7	11.3	10.0	.4	16.6	49.6	46.4	31.0	32.9
Business fixed investment	12.7	17.6	2.0	-8.0	10.5	8.4	7.8	-4.9	6.2	-6.2	26.6	24.3	21.8	11.0
Producers' durable equipment	16.0	14.9	2.0	-5.2	8.4	10.9	5.7	-5.2	5.4	-3.3	25.6	27.7	19.8	17.7
Nonresidential structures	-3.4	2.9	-.1	-2.8	2.2	-2.6	2.1	.4	.7	-2.9	1.0	-3.4	2.1	-6.7
Residential structures	-3.4	3.2	.2	-.2	-1.8	-5.7	-3.7	-2.6	6.5	-5.5	-4.5	-.2	-13.8	-18.5
Change in business inventories	-17.4	-14.1	15.7	-18.6	12.1	-.6	-.9	-5.7	-21.1	11.7	69.2	-34.4	4.9	-45.3
Nonfarm	-26.6	-9.6	11.8	-3.8	-10.8	5.1	.2	-6.4	-23.5	19.8	66.3	-28.2	-11.9	-43.8
Farm	9.1	-4.5	3.9	-14.8	22.9	-5.7	-1.1	.7	2.4	-8.1	3.0	-6.3	16.8	-1.5
Net exports	34.0	5.1	-6.3	2.8	24.6	-2.2	-10.8	16.2	12.5	-9.2	24.1	35.6	27.8	39.1
Exports	34.7	5.6	7.0	21.0	20.8	17.1	-.7	19.1	16.5	-8.0	80.5	68.3	56.3	35.6
Imports	.7	.5	13.3	18.2	-3.7	19.2	10.1	2.8	4.1	1.2	56.4	32.7	28.4	-3.4
Government purchases	-18.9	6.3	-7.5	28.7	-6.7	7.8	-4.8	6.0	5.7	12.3	15.3	8.6	2.3	30.1
Federal	-23.2	2.8	-8.9	23.9	-8.1	5.7	-6.9	-.3	.3	12.9	5.3	-5.4	-9.6	17.2
Defense	-3.8	-.9	-3.3	3.1	-7.4	2.0	4.5	-4.7	-1.1	2.1	10.2	-4.9	-5.6	10.2
Nondefense	-19.4	3.7	-5.6	20.8	-.8	3.8	-11.4	4.4	1.4	10.8	-4.9	-.5	-4.0	7.0
State and local	4.3	3.5	1.3	4.8	1.5	2.1	2.1	6.3	5.5	-.7	10.0	13.9	12.0	12.9

GROSS NATIONAL PRODUCT AND RELATED ITEMS  
(Net changes, billions of 1982 dollars)

June 28, 1991

	Projection										Projection			
	1990		1991				1992				1989	1990	1991	1992
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	(fourth quarter to fourth quarter, net change)			
Real GNP	14.9	-16.6	-29.3	2.4	48.3	42.3	34.3	28.9	27.5	26.4	73.9	20.2	63.8	117.1
Gross domestic purchases	16.8	-54.3	-45.2	16.1	41.3	45.7	37.9	32.3	27.9	29.6	46.1	-18.9	57.9	127.7
Final sales	19.7	14.5	-30.8	9.3	27.3	18.0	22.2	24.0	28.3	25.7	69.2	65.4	23.9	100.2
Private dom. final purchases	19.1	-32.8	-44.0	20.0	21.1	24.4	28.7	29.6	30.5	30.3	39.1	-3.8	21.5	119.1
Personal consumption expend.	18.0	-23.2	-9.9	22.0	14.8	16.4	20.1	18.7	18.5	18.3	31.1	3.7	43.3	75.6
Durables	2.7	-13.9	-12.7	7.6	5.3	5.1	6.7	3.7	3.6	3.3	-5.9	-7.5	5.3	17.3
Nondurables	5.2	-15.2	-4.1	.7	2.7	2.7	4.0	4.9	4.7	4.8	5.9	-21.8	1.9	18.5
Services	10.0	5.9	7.0	13.8	6.9	8.6	9.3	10.1	10.2	10.2	31.0	32.9	36.2	39.8
Business fixed investment	10.9	.1	-22.6	-3.5	1.9	4.3	5.4	7.3	8.1	8.6	21.8	11.0	-19.9	29.4
Producers' durable equipment	9.5	6.1	-20.0	-1.7	4.3	6.1	7.2	8.5	8.9	9.1	19.8	17.7	-11.3	33.7
Nonresidential structures	1.5	-6.0	-2.7	-1.8	-2.4	-1.8	-1.8	-1.3	-.8	-.5	2.1	-6.7	-8.7	-4.4
Residential structures	-9.8	-9.7	-11.5	1.4	4.5	3.6	3.2	3.6	3.9	3.5	-13.8	-18.5	-2.0	14.2
Change in business inventories	-4.8	-31.1	1.4	-6.8	21.0	24.3	12.1	4.9	-.8	.7	4.9	-45.3	39.9	16.9
Nonfarm	-6.9	-33.2	.4	-5.8	22.0	23.5	11.7	4.9	-.8	.7	-11.9	-43.8	40.1	16.5
Farm	2.1	2.1	1.0	-1.0	-1.0	.8	.4	.0	.0	.0	16.8	-1.5	-.2	.4
Net exports	-1.9	37.7	15.9	-13.8	7.0	-3.3	-3.6	-3.4	-.4	-3.2	27.8	39.1	5.8	-10.5
Exports	10.4	16.7	.8	-1.6	10.1	13.1	10.3	10.1	9.7	9.9	56.3	35.6	22.3	39.9
Imports	12.3	-21.0	-15.0	12.1	3.1	16.4	13.8	13.5	10.0	13.1	28.4	-3.4	16.5	50.5
Government purchases	2.5	9.6	-2.7	3.1	-.8	-3.0	-2.9	-2.2	-1.8	-1.4	2.3	30.1	-3.4	-8.3
Federal	.1	3.9	-.4	3.6	-.7	-4.1	-4.2	-4.0	-3.8	-3.8	-9.6	17.2	-1.6	-15.8
Defense	1.7	7.5	1.8	-.9	-2.5	-5.1	-5.2	-5.0	-4.8	-4.8	-5.6	10.2	-6.7	-19.8
Nondefense	-1.6	-3.6	-2.2	4.5	1.8	1.0	1.0	1.0	1.0	1.0	-4.0	7.0	5.1	4.0
State and local	2.4	5.7	-2.3	-.5	-.1	1.1	1.3	1.8	2.0	2.4	12.0	12.9	-1.8	7.5

MONETARY AGGREGATES  
(based on seasonally adjusted data unless otherwise noted)

	1990 <sup>1</sup>	1991 Q1	1991 Q2pe	1991 Apr	1991 May	1991 Jun pe	Growth Q4 90- Jun 91pe
-----Percent change at annual rates-----							
1. M1	4.2	5.9	7½	-1.1	13.7	8	7½
2. M2	3.8	3.4	4½	2.8	4.6	2	4
3. M3	1.7	4.0	2	0.5	0.8	0	2½
-----Percent change at annual rates-----							
							Levels bil. \$ May 91
<b>Selected components</b>							
4. M1-A	4.6	5.7	4	-4.0	7.3	6	543.5
5. Currency	11.0	15.3	4	-0.5	0.9	4	256.8
6. Demand deposits	-0.6	-2.5	4½	-5.6	12.6	9	278.7
7. Other checkable deposits	3.5	6.1	13½	4.0	25.0	12	308.3
8. M2 minus M1 <sup>2</sup>	3.7	2.6	4	4.2	1.6	0	2544.0
9. Overnight RPs and Eurodollars, NSA	3.0	-42.3	-13½	0.0	-26.0	-20	67.6
10. General purpose and broker/dealer money market mutual fund shares	11.0	18.2	6½	2.0	3.0	-1	365.1
11. Commercial banks	9.9	8.2	7½	4.2	6.2	9	1212.9
12. Savings deposits plus MMDAs <sup>3</sup>	7.5	7.5	16½	15.9	17.1	18	611.2
13. Small time deposits	12.4	8.9	-1½	-7.3	-5.0	1	601.6
14. Thrift institutions	-5.5	-6.3	-1½	2.5	0.1	-10	897.5
15. Savings deposits plus MMDAs <sup>3</sup>	-2.2	-0.7	18½	22.3	23.2	13	358.1
16. Small time deposits	-7.3	-9.7	-13½	-9.4	-14.9	-25	539.4
17. M3 minus M2 <sup>4</sup>	-6.4	6.7	-9½	-9.2	-15.4	-11	777.8
18. Large time deposits	-9.5	1.2	-8	-11.3	-9.5	-7	502.7
19. At commercial banks, net <sup>5</sup>	-3.5	11.9	0	-5.7	0.6	2	398.2
20. At thrift institutions	-23.9	-32.1	-35½	-31.2	-46.4	-40	104.5
21. Institution-only money market mutual fund shares	20.2	49.9	24	30.4	4.9	-16	146.2
22. Term RPs, NSA	-12.0	-32.8	-24½	-15.9	-14.6	-24	81.1
23. Term Eurodollars, NSA	-12.1	7.9	-26	-43.8	-38.5	2	66.4
-----Average monthly change in billions of dollars-----							
<b>MEMORANDA:<sup>6</sup></b>							
24. Managed liabilities at commercial banks (25+26)	-0.1	-1.6	-3½	-1.4	-3.4	-6	710.1
25. Large time deposits, gross	-2.6	6.4	½	0.0	1.2	1	452.1
26. Nondeposit funds	2.4	-8.0	-4½	-1.4	-4.6	-7	258.0
27. Net due to related foreign institutions	2.2	-1.5	-4	0.6	-4.7	-8	26.0
28. Other <sup>7</sup>	0.2	-6.5	-½	-1.9	0.1	1	232.0
29. U.S. government deposits at commercial banks <sup>8</sup>	0.3	3.1	-3½	-12.1	-6.6	8	15.1

1. Amounts shown are from fourth quarter to fourth quarter.

2. Nontransactions M2 is seasonally adjusted as a whole.

3. Commercial bank savings deposits excluding MMDAs grew during May and June at rates of 14.9 percent and 18 percent, respectively. At thrift institutions, savings deposits excluding MMDAs grew during May and June at rates of 18.7 percent and 12 percent, respectively.

4. The non-M2 component of M3 is seasonally adjusted as a whole.

5. Net of large denomination time deposits held by money market mutual funds and thrift institutions.

6. Dollar amounts shown under memoranda are calculated on an end-month-of-quarter basis.

7. Consists of borrowing 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 borrowing from the Federal Reserve and unaffiliated foreign banks, loan RPs and other minor items). Data are partially estimated.

8. Consists of Treasury demand deposits and note balances at commercial banks.

pe - preliminary estimate

COMMERCIAL BANK CREDIT AND SHORT- AND INTERMEDIATE-TERM BUSINESS CREDIT

(Percentage changes at annual rates, based on seasonally adjusted data)

	1989:Dec.	1990		1991			Levels
	to 1990:Dec.	Q4	Q1	Mar.	Apr.	May	bil.\$ May
----- Commercial Bank Credit -----							
1. Total loans and securities at banks	5.3	2.3	4.0	6.7	.0	-.7	2750.0
2. Securities	8.6	.6	12.5	25.7	10.9	7.3	658.9
3. U.S. government securities	13.9	3.7	15.0	34.8	19.3	13.8	484.9
4. Other securities	-3.1	-7.2	5.7	2.0	-11.5	-10.3	174.0
5. Total loans	4.3	2.9	1.5	1.0	-3.3	-3.2	2091.1
6. Business loans	1.9	3.0	-.4	3.8	-7.9	-7.5	633.2
7. Real estate loans	9.5	6.1	3.4	3.5	4.5	4.9	854.7
8. Consumer loans	1.2	.6	-2.6	-5.1	-3.5	-1.3	373.5
9. Security loans	4.4	-6.8	-17.7	-117.2	30.9	.0	39.8
10. Other loans	-2.4	-4.3	11.6	19.0	-28.9	-28.4	189.9
----- Short- and Intermediate-Term Business Credit -----							
Business loans net of bankers acceptances	1.9	3.0	.4	4.0	-7.7	-8.0	627.1
12. Loans at foreign branches <sup>2</sup>	19.3	37.0	-3.1	-9.2	-46.5	-58.1	23.6
13. Sum of lines 11 & 12	2.5	4.3	.2	3.5	-9.3	-9.9	650.6
14. Commercial paper issued by nonfinancial firms	12.2	-3.2	-5.0	-3.2	12.9	-34.4	145.9
15. Sum of lines 13 & 14	4.2	2.8	-.7	2.2	-5.2	-14.4	796.6
16. Bankers acceptances: U.S. trade related <sup>3,4</sup>	-9.6	17.8	-24.3	-69.5	-58.3	-16.3	29.0
17. Line 15 plus bankers acceptances: U.S. trade related	3.6	3.4	-1.6	-.6	-7.3	-14.4	825.6
18. Finance company loans to business <sup>3</sup>	13.1	12.0	4.5	2.0	.4	n.a.	294.4 <sup>5</sup>
19. Total short- and intermediate-term business credit (sum of lines 17 & 18)	5.8	5.6	-.1	.0	-5.2	n.a.	1132.9 <sup>5</sup>

1. Average of Wednesdays.

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

3. Based on average of data for current and preceding ends of month.

4. Consists of acceptances that finance U.S. imports, U.S. exports, and domestic shipment and storage of goods.

5. April data.

6. Preliminary.

7. Not available



SELECTED FINANCIAL MARKET QUOTATIONS  
(percent)

	1989		1990	1991		Change from:		
	March highs	Dec lows	Aug highs	FOMC May 14	Jun 27	Aug 90 highs	FOMC May 14	
<b>Short-term rates</b>								
Federal funds <sup>2</sup>	9.85	8.45	8.21	5.77	5.78	-2.43	0.01	
Treasury bills <sup>3</sup>								
3-month	9.09	7.53	7.59	5.49	5.55	-2.04	0.06	
6-month	9.11	7.29	7.51	5.62	5.73	-1.78	0.11	
1-year	9.05	7.11	7.45	5.75	5.94	-1.51	0.19	
Commercial paper								
1-month	10.05	8.51	8.10	5.92	6.08	-2.02	0.16	
3-month	10.15	8.22	8.05	5.93	6.13	-1.92	0.20	
Large negotiable CDs <sup>3</sup>								
1-month	10.07	8.52	8.14	5.90	5.99	-2.15	0.09	
3-month	10.32	8.22	8.18	5.93	6.08	-2.10	0.15	
6-month	10.08	8.01	8.25	6.07	6.35	-1.90	0.28	
Eurodollar deposits <sup>4</sup>								
1-month	10.19	8.38	8.13	5.81	5.94	-2.19	0.13	
3-month	10.50	8.25	8.19	5.94	6.13	-2.06	0.19	
Bank prime rate	11.50	10.50	10.00	8.50	8.50	-1.50	0.00	
<b>Intermediate- and long-term rates</b>								
U.S. Treasury (constant maturity)								
3-year	9.88	7.69	8.50	7.13	7.43	-1.07	0.30	
10-year	9.53	7.77	9.05	8.14	8.32	-0.73	0.18	
30-year	9.31	7.83	9.17	8.36	8.49	-0.68	0.13	
Municipal revenue <sup>5</sup> (Bond Buyer)	7.95	7.28	7.80	7.09	7.30	-0.50	0.21	
Corporate--A utility recently offered	10.47	9.29	10.50	9.53	9.58	-0.92	0.05	
Home mortgage rates <sup>6</sup>								
S&L fixed-rate	11.22	9.69	10.29	9.47	9.65	-0.64	0.18	
S&L ARM, 1-yr.	9.31	8.34	8.39	7.23	7.24	-1.15	0.01	
<b>Stock prices</b>								
			1989	1991		Percent change from:		
	Record highs	Date	Lows Jan 3	FOMC May 14	Jun 27	Record highs	1989 lows	FOMC May 14
Dow-Jones Industrial	3035.33	6/3/91	2144.64	2886.85	2934.93	-3.31	36.85	1.67
NYSE Composite	213.21	4/17/91	154.00	203.67	204.94	-3.88	33.08	0.62
AMEX Composite	397.03	10/10/89	305.24	360.25	359.43	-9.47	17.75	-0.23
NASDAQ (OTC)	511.31	4/17/91	378.56	488.79	476.24	-6.86	25.80	-2.57
Wilshire	3731.48	4/17/91	2718.59	3562.98	3567.32	-4.40	31.22	0.12

1/ One-day quotes except as noted.

2/ Average for two-week reserve maintenance period closest to date shown. Last observation is average for the maintenance period ending June 26, 1991.

3/ Secondary market.

4/ Bid rates for Eurodollar deposits at 11 a.m. London time.

5/ Based on one-day Thursday quotes and futures market index changes.

6/ Quotes for week ending Friday closest to date shown.

## THE INTERNATIONAL ECONOMY

### Prices of Imports and Exports

According to the Bureau of Labor Statistics, prices of U.S. imports rose 0.2 percent in May, the first increase in seven months. The increase was led by a 2.9 percent rise in the index for prices of petroleum imports. The index for prices of nonpetroleum imports declined for the second consecutive month, after a string of eight monthly increases. Further declines in the prices of imported capital and consumer goods caused the drop in this index.

The index for prices of U.S. exports decreased 0.3 percent in May. The decrease was caused by a 1.1 percent fall in prices of exported industrial supplies and materials, which continued its seven-month downward trend. In contrast, the other four major export categories (foods, capital goods, motor vehicles, and consumer goods) each posted a slight increase in May.

### Erratum

Greenbook pages I-31 and IV-16 incorrectly state that the Desk did not intervene during the intermeeting period. In fact, the Desk did intervene on one occasion. Late on May 17, the day Sweden announced it would peg the krona to the ECU, the Desk sold \$50 million against marks.

IMPORT AND EXPORT PRICE MEASURES  
(percent change from previous period, annual rate)

	Year		Quarters			Months	
	1991-Q1	1990-Q1	1990		1991	1991	
			Q3	Q4	Q1	Apr	May
			(Quarterly Average, AR)			(Monthly Rates)	
-----BLS Prices-----							
<u>Imports, Total</u>	3.3	10.2	24.9	-12.3	-0.7	0.2	
Foods, Feeds, Bev.	3.7	7.4	5.2	7.6	0.8	0.1	
Industrial Supplies	2.8	31.7	77.1	-41.0	-0.5	0.9	
Ind Supp Ex Oil*	0.4	-1.5	2.7	-0.3	-0.6	-0.1	
Capital Goods	4.8	3.8	8.2	4.8	-1.4	-0.6	
Automotive Products	3.6	3.3	10.3	6.5	-0.7	0.3	
Consumer Goods	2.7	-0.3	4.5	2.3	-0.7	-0.2	
Memo:							
Oil	7.0	134.1	307.2	-73.9	0.0	2.9	
Non-oil	3.0	1.8	6.3	3.6	-0.7	-0.2	
<u>Exports, Total</u>	2.0	1.7	4.4	0.6	0.0	-0.3	
Foods, Feeds, Bev.	-3.9	-13.1	-16.5	8.5	0.9	0.1	
Industrial Supplies	1.8	5.2	15.9	-9.8	-1.1	-1.1	
Capital Goods	3.1	3.3	2.1	5.6	0.3	0.2	
Automotive Products	2.7	1.9	3.5	3.5	-0.1	0.2	
Consumer Goods	3.6	1.6	3.7	6.0	1.8	0.2	
Memo:							
Agricultural	-3.3	-11.9	-14.2	6.9	1.0	0.3	
Nonagricultural	2.7	3.9	7.9	-0.7	-0.2	-0.3	
-----Prices in the GNP Accounts-----							
<u>Fixed-Weight</u>							
Imports, Total	2.8	15.8	34.4	-18.3	--	--	
Oil	3.2	135.7	346.2	-75.0	--	--	
Non-oil	2.7	3.9	5.3	4.0	--	--	
Exports, Total	2.1	0.8	5.7	0.4	--	--	
Ag	-1.4	-10.1	-11.8	7.8	--	--	
Nonag	2.8	3.1	9.5	-1.0	--	--	
<u>Deflators</u>							
Imports, Total	0.5	11.3	27.1	-20.8	--	--	
Oil	3.2	135.2	345.0	-75.0	--	--	
Non-oil	-0.8	2.1	0.6	-4.7	--	--	
Exports, Total	-0.3	-3.9	3.6	-5.2	--	--	
Ag	-1.4	-10.1	-11.8	7.8	--	--	
Nonag	-0.1	-3.1	5.6	-6.6	--	--	

\*/ Months not for publication.