THE WEEK’S HIGHLIGHTS:

- Initial claims for state unemployment insurance benefits totaled 376,000 for the week ending Jan. 19. Measured from the previous week, the four-week moving average fell 8,750 to 404,250.

- In December, the index of leading economic indicators rose 1.2 percent. This increase was the largest since February 1996 and the fourth in the past six months.

- The U.S. Treasury Department reported that the federal government ran a $26.6 billion surplus in December. Thus far in fiscal year (FY) 2002, the federal government has posted a $37.1 billion deficit, compared with a $2.3 billion deficit over the same period in FY 2001. The Congressional Budget Office (CBO) released its new projections for the unified federal budget accounts on Jan. 23. The CBO now projects a $21 billion deficit in FY 2002. By contrast, in January 2001, the CBO had projected a $313 billion surplus for FY 2002.

- A 0.7 percent increase in U.S. exports, in conjunction with a 0.8 percent drop in imports, resulted in a $27.9 billion U.S. goods and services trade deficit in November. The distortions that temporarily lowered September’s trade deficit to $19 billion notwithstanding, the November trade deficit was the smallest (in absolute terms) since January 2000.

- The index of consumer sentiment published by the University of Michigan measured 94.2 percent in January, the fourth consecutive increase and the highest reading since January 2001.
The adjusted monetary base is the sum of Federal Reserve deposits and vault cash held by domestic depository institutions, currency held by the public, and an adjustment for the effect of changes in reserve requirement ratios. The monetary base series includes Federal Reserve deposits used to satisfy clearing balance contracts. Data are computed by this bank. A detailed description of the adjusted monetary base is available from this bank. Recent data are preliminary.

### Adjusted Monetary Base

To the average of two maintenance periods ending:

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<tr>
<th>Period</th>
<th>Compounded annual rates of change, average of two maintenance periods ending:</th>
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Prepared by Federal Reserve Bank of St. Louis
Money Zero Maturity (MZM)
Averages of Daily Figures
Seasonally Adjusted

MZM is M2 (seasonally adjusted) minus total small denomination time deposits (seasonally adjusted), plus institutional money funds (seasonally adjusted), which are included in the non-M2 component of M3.

Money Zero Maturity (MZM)

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<td>12.4</td>
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Prepared by Federal Reserve Bank of St. Louis
Adjusted Reserves is the difference between the adjusted monetary base and the currency component of M1.

### Adjusted Reserves

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</tr>
<tr>
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<td>Dec 28</td>
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#### Compounded annual rates of change, average of two maintenance periods ending:

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</table>

Prepared by Federal Reserve Bank of St. Louis
Money Stock (M1) and Total Checkable Deposits

Averages of Daily Figures
Seasonally Adjusted

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<td>1196.5</td>
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<td>Jan 7</td>
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<td>1177.2</td>
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<table>
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<td>Jan 7</td>
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<tr>
<td>14</td>
<td>583.7</td>
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M1 (left scale)

TCD (right scale)

2000  2001  2002

M1 is the sum of currency held by the nonbank public, total checkable deposits and travelers checks.
Total checkable deposits is the sum of demand deposits and other checkable deposits at depository institutions. Current data appear in the Federal Reserve Board's H.6 release.

Currency Component of M1

Averages of Daily Figures
Seasonally Adjusted

| Compounded annual rates of change, average of the four weeks ending January 14, 2002, from the four weeks ending: |
| Jan 15, 2001 | 9.8 |
| Apr 18, 2001 | 10.7 |
| Jul 16, 2001 | 12.9 |
| Aug 13, 2001 | 11.5 |
| Sep 17, 2001 | 10.3 |
| Oct 15, 2001 | 10.5 |
| Nov 12, 2001 | 12.2 |

<table>
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<td>585.6</td>
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</table>


Prepared by Federal Reserve Bank of St. Louis
Yields on Selected Securities
Averages of Daily Figures

Due to the financial disruptions stemming from the World Trade Center disaster on Tuesday, Sept. 11, 2001, the financial data printed on pages 6, 7, and 10 for the week ending Sept. 14, 2001, are incomplete.

---

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<td>1.73</td>
<td>6.47</td>
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Current data are from the Federal Reserve Board's H.15 release, and are averages of rates available for the week ending on January 25, 2002.

** Bond Buyer's Average Index of 20 municipal bonds, Thursday data

Prepared by Federal Reserve Bank of St. Louis
Selected Interest Rates
Averages of Daily Figures

<table>
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<th>2001/2002</th>
<th>Federal Funds **</th>
<th>3-Month Treasury Bill</th>
<th>2-Year Treasury Securities</th>
<th>5-Year Treasury Securities</th>
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Current data appear in the Federal Reserve Board’s H.15 release, except for the federal funds target rate.
* Averages of rates available
** Seven-day averages for week ending two days earlier than date shown

Prepared by Federal Reserve Bank of St. Louis
Money Stock (M2) and Money Zero Maturity

Averages of Daily Figures
Seasonally Adjusted

M2 is the sum of M1, savings (including money market deposit accounts), small time deposits and retail money funds. Current data appear in the Federal Reserve Board’s H.6 release.

Money Stock (M2)

To the average of four weeks ending:

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Prepared by Federal Reserve Bank of St. Louis
Savings and Small Time Deposits
Averages of Daily Figures
Seasonally Adjusted

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<th>Billions</th>
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<td>14</td>
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</table>

Savings deposits and small time deposits are at all depository institutions.

Large Time Deposits and Retail Money Funds
Averages of Daily Figures
Seasonally Adjusted

<table>
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<th>Large Time 01/02</th>
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<td>796.7</td>
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<table>
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<th>Retail Money 01/02</th>
<th>Billions</th>
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<td>Dec 10</td>
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Large time deposits and retail money funds are at all depository institutions. Large time deposits are those issued in denominations of $100,000 or more. Retail money funds were originally called general purpose and broker/dealer money market funds.

Prepared by Federal Reserve Bank of St. Louis
Total Borrowings
From Federal Reserve Banks
Averages of Daily Figures

Borrowings include seasonal, adjustment and extended credit.

Bank Loans and Credit
All Commercial Banks in the United States ¹/
Seasonally Adjusted

Bank Credit (left scale) ²/

Loans and Leases (right scale)

1/ Includes foreign-related institutions.
2/ Includes loans and leases and securities.

Prepared by Federal Reserve Bank of St. Louis
Commercial Paper of Nonfinancial Companies
Not Seasonally Adjusted

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<tr>
<th>Months</th>
<th>Billions of Dollars</th>
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<tr>
<td>Dec</td>
<td>215.3</td>
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<tr>
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<td>25</td>
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<td>15</td>
<td>222.7</td>
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<td>226.6</td>
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Commercial and Industrial Loans
Seasonally Adjusted

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Current data appear in the Federal Reserve Board's H.8 release.
1/ Includes foreign-related institutions
2/ Weekly reporting, domestically chartered banks

Prepared by Federal Reserve Bank of St. Louis
Trade – Weighted Exchange Rate Indexes

Averages of Daily Figures

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The major currency index (MCI) is comprised of 7 currencies. The broad index is comprised of the major currency index plus 19 additional currencies. See the October 1998 issue of the Federal Reserve Bulletin for further details.

Prepared by Federal Reserve Bank of St. Louis