THE WEEK’S HIGHLIGHTS:

■ For the week ending Oct. 5, new claims for state unemployment insurance benefits totaled 384,000, down 40,000 from the previous week. Accordingly, the four-week moving average fell 12,250 to 412,250, the lowest total in four weeks.

■ In September, the index of U.S. import prices rose 0.7 percent, the largest increase in five months. Prices of imported petroleum goods rose 6 percent in September after rising 2.8 percent in August and 3.8 percent in July. Prices of nonpetroleum goods, by contrast, rose 0.2 percent in September after no net change between April and August. Year-to-date, total import prices are up 4.5 percent, with petroleum prices up 61.1 percent and nonpetroleum prices up only 0.3 percent.

■ Following a 0.7 percent rise in July, merchant wholesalers’ sales rose 0.9 percent in August. The value of wholesalers’ inventories rose 0.2 percent in August after rising 0.6 percent in July.

■ For the week ending Oct. 9, the U.S. trade-weighted exchange-rate index (major currency index) was 101.4, up 0.4 percentage points from the previous week. After falling 10.2 percent between the weeks ending Jan. 30 and July 17, the value of the U.S. dollar has increased 3.4 percent (see back page).

■ In September, nonfarm payroll employment fell 43,000, the first decline in five months. The index of aggregate hours, however, rose 0.4 percent in September, following a 0.3 percent gain in August. The civilian unemployment rate fell 0.1 percentage points to 5.6 percent, its lowest rate in seven months.
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

<table>
<thead>
<tr>
<th>To the average of two maintenance periods ending:</th>
<th>Compounded annual rates of change, average of two maintenance periods ending:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/6/02</td>
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<tr>
<td>4/3/02</td>
<td>2.8</td>
</tr>
<tr>
<td>5/1/02</td>
<td>2.7</td>
</tr>
<tr>
<td>5/29/02</td>
<td>4.7</td>
</tr>
<tr>
<td>6/26/02</td>
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<tr>
<td>9/4/02</td>
<td>4.8</td>
</tr>
<tr>
<td>10/2/02</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Prepared by Federal Reserve Bank of St. Louis
MZR 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.
Adjusted Reserves
Seasonally Adjusted

Adjusted reserves is the difference between the adjusted monetary base and the currency component of M1.

Adjusted Reserves

To the average of two maintenance periods ending:

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<thead>
<tr>
<th></th>
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<th>3/6/02</th>
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<tr>
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Prepared by Federal Reserve Bank of St. Louis
Money Stock (M1) and Total Checkable Deposits

Averages of Daily Figures
Seasonally Adjusted

<table>
<thead>
<tr>
<th>2002</th>
<th>M1 Billions</th>
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<td>9</td>
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<tr>
<td>16</td>
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<td>23</td>
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<table>
<thead>
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<td>30</td>
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</table>

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

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<th>2001</th>
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<tbody>
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<table>
<thead>
<tr>
<th>2002</th>
<th>Billions</th>
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</thead>
<tbody>
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<tr>
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</tr>
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<td>617.2</td>
</tr>
<tr>
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<td>617.4</td>
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<tr>
<td>23</td>
<td>617.9</td>
</tr>
<tr>
<td>30</td>
<td>618.4</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.

<table>
<thead>
<tr>
<th>2002</th>
<th>30-Day Commercial Paper</th>
<th>90-Day CDs</th>
<th>2-Year Interest Rate Swap</th>
<th>Corporate Aaa Bonds</th>
<th>Corporate Baa Bonds</th>
<th>Municipal Bonds **</th>
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</thead>
<tbody>
<tr>
<td>Jul</td>
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<td>1.79</td>
<td>2.94</td>
<td>6.54</td>
<td>7.94</td>
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<td>1.72</td>
<td>1.72</td>
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</tr>
</tbody>
</table>

Current data are from the Federal Reserve Board’s H.15 release, and are averages of rates available for the week ending on October 11, 2002.

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

Prepared by Federal Reserve Bank of St. Louis
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.

<table>
<thead>
<tr>
<th>Month</th>
<th>10/1/01</th>
<th>12/31/01</th>
<th>3/4/02</th>
<th>4/1/02</th>
<th>4/29/02</th>
<th>5/27/02</th>
<th>7/1/02</th>
<th>7/29/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4/02</td>
<td>5.5</td>
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<td></td>
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<tr>
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<td>-3.2</td>
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<td>5/27/02</td>
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<td>9.0</td>
<td>9.2</td>
<td>8.1</td>
</tr>
</tbody>
</table>

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

![Graph showing billions of dollars for savings and small time deposits from August 2001 to October 2002.](image)

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

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

![Graph showing billions of dollars for large time deposits and retail money funds from June 2001 to October 2002.](image)

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

** Note: Total Borrowings for the weeks ending:
Sept. 12, 2001  11.837
19, 2001  1.597

Borrowings include seasonal, adjustment and extended credit.

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

Current data appear in the Federal Reserve Board's H.8 release.
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

Current data appear at www.federalreserve.gov/Releases/CP/table1.htm

Commercial and Industrial Loans
Seasonally Adjusted

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

<table>
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<tr>
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<th>2002 Major</th>
<th></th>
<th>2002 Broad</th>
<th></th>
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<tr>
<td>2</td>
<td></td>
<td></td>
<td>9</td>
<td>127.9</td>
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</tbody>
</table>

The major currency index (MCI) is comprised of 7 currencies. The broad index is comprised of the MCI 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