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MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

June 13, 1975

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

(1) Growth of M_1 accelerated to an 11.3 per cent annual rate in May, and recent data suggest that growth may continue at around that pace in June. For the two months combined, expansion in M_1 thus appears to be exceeding the high end of the Committee's 7-9½ per cent range of tolerance, as the table shows. Likewise, with flows to bank time deposits other than large CD's very strong in recent weeks, growth of M_2 appears to be running significantly above its two-month range of tolerance--at about a 13 per cent annual rate. The rapid disbursement of tax rebates, amounting to about \$8 billion in May and June, is thought to be the key factor contributing to the accelerated monetary growth. In addition, recent Congressional action has cleared the way for disbursement in the second half of June of \$1.7 billion in one-time payments to social security recipients.

Growth in Monetary Aggregates and RPD's
over May-June period

<u>Reserve and monetary aggregates (Growth at SAAR in per cent)</u>	<u>Range Tolerance</u>	<u>Latest Estimates</u>
M_1	7-9½	11.2
M_2	9-11½	13.2
RPD	1½-4	-0.6

Memo:

Federal funds rate (per cent per annum)	4½-5½	<u>Avg. for statement week ending</u>
		May 28 5.14
		June 4 5.24
		June 11 5.15

(2) The bank credit proxy appears to be growing at only about a 5 per cent annual rate in the May-June period. With loan demands weak, banks have continued to run off large CD's and have allocated the bulk of their net deposit growth to investments in Treasury securities.

(3) Shortly after the May FOMC meeting, with the aggregates strengthening, the Desk sought to achieve reserve conditions consistent with a Federal funds rate trading in the upper half of the 5-5½ per cent range that represented prevailing money market conditions. As the aggregates continued to strengthen--growing at rates close to or above the upper limits of the Committee's ranges of tolerance--the Desk sought to achieve an average funds rate of 5½ per cent or a little higher. In the statement week ending June, the funds rate did average about 5½ per cent, but in the statement week just ended, it edged down to 5.15 per cent despite a very large absorption of reserves by the Desk.

(4) Private short-term market interest rates have shown little change on balance during the intermeeting period, although bank prime rates were reduced ½ of a percentage point to 7 per cent at most banks (and to 6½ per cent at one major bank). Treasury bill rates also showed little net change over most of the intermeeting period, but during the past several days have posted net declines of 12-25 basis points from the levels prevailing at the time of the last FOMC meeting. The 3-month bill has traded most recently at around 4.95 per cent. The recent downturn in bill yields reflects market adjustments to the prospective seasonal shrinkage in bill supply over the latter half of June.

(5) In bond markets, yields showed little change during late May, despite the continued heavy volume of corporate financing and the general erosion of confidence in municipal issues stemming from the problems of New York City. Since then, bond yields have dropped considerably, with the decline especially sharp in the corporate bond market. This rally appears to have reflected the more moderate volume of Treasury financing in prospect through July, the growing conviction in market circles that long-term rates may decline for some months ahead, and most recently the respite for New York City arising from creation of the Municipal Assistance Corporation.

(6) The table on the following page shows (in percentage annual rates of change) selected monetary and financing flows over various time periods. Appendix table III compares money supply growth rates computed on a quarterly-average basis with those computed on a last-month-of-quarter basis.

	Calendar Year	Past Twelve Months May '75 over May '74	Past Six Months May '75 over Nov. '74	Past Three Months May '75 over Feb. '75	Past Month May '75 over Apr. '75
Total reserves	8.6	.9	-2.7	-3.9	-14.5
Nonborrowed reserves	10.8	9.0	4.3	-3.0	-13.0
Reserves available to support private nonbank deposits	8.9	2.0	-2.5	-4.3	-10.3
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	4.8	4.4	4.4	8.9	11.3
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	7.2	7.7	8.4	11.0	13.3
M ₃ (M ₂ plus deposits at thrift institutions)	6.8	8.5	10.8	13.7	14.9
M ₄ (M ₂ plus CD's)	10.7	7.9	7.4	5.9	6.8
M ₅ (M ₃ plus CD's)	9.0	8.6	9.9	10.2	10.5
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	10.2	5.4	4.1	4.5	2.6
Loans and investments of commercial banks <u>2/</u>	9.2	3.7	1.6	4.3	3.8
<u>Short-term Market Paper</u>					
(Monthly average change in billions)					
Large CD's	2.2	.6	--	-2.2	-2.9
Nonbank commercial paper	.4	.2	-.1	-.4	-1.3

1/ Other than interbank and U.S. Government.

2/ Based on month-end figures. Includes loans sold to affiliates and branches.

NOTE: All items are based on averages of daily figures, except for data on total loans and investments of commercial banks, commercial paper, and thrift institutions--which are derived from either end-of-month or last Wednesday-of-month figures. Growth rates for reserve measures in this and subsequent tables are adjusted to remove the effect of discontinuities from breaks in the series when reserve requirements are changed.

Prospective developments

(7) Alternative longer-run growth rates for the monetary aggregates covering the 12-month period from June 1975 to June 1976 are summarized in the table below for Committee consideration. Alternative B encompasses generally the same growth rates that had been adopted by the Committee for the March '75--March '76 period at its April meeting. The M_1 growth range--at 5 to $7\frac{1}{2}$ per cent--is exactly the same, but minor downward adjustments have been made to growth ranges for other monetary and credit aggregates. These adjustments take account of changing relationships among the aggregates based on the up-dated longer-run time period and re-assessment of the economic and financial outlook.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
M_1	6- $8\frac{1}{2}$	5- $7\frac{1}{2}$	4- $6\frac{1}{2}$
M_2	9-11	8-10	7-9
M_3	10-12	9-11	8-10
Bank credit proxy	6-9	$5\frac{1}{2}$ - $8\frac{1}{2}$	$4\frac{1}{2}$ -7

(8) The longer-run path for M_1 in alternative B does imply a somewhat more rapid rate of growth from March '75 to March '76 than contemplated by the mid-point of the $5-7\frac{1}{2}$ per cent range adopted by the Committee at its previous meetings. This is because M_1 growth in the second quarter seems likely to be at about a 9 per cent annual rate, as compared with the around 7 per cent rate earlier contemplated. The growth rate from March '75 to March '76 implicit in the currently proposed alternative B is around 7 per cent (based on mid-points). This is, of course, within the adopted range, though toward the upper end.

(9) Shorter-run alternative operating guides for policy are tabulated below, with an indication of the most likely 6-month monetary growth rates that would be associated with each alternative. More detailed figures on the aggregates are presented in the table on pp. 6a and 6b. And alternative operating guides expressed in terms of nonborrowed reserves, as well as other related reserve measures, are shown in appendix table IV.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges of tolerance for June-July			
M ₁	8-10	7½-9½	7-9
M ₂	10¾-12¾	10¼-12¼	9¾-11¾
RPD	6¾-8¾	6½-8½	5¾-7¾
Federal funds rate (intermeeting range)	4¾-5¾	5½-6½	6-7
Memorandum item: 6-month growth rates (June '75-Dec. '75)			
M ₁	8½	7½	6½
M ₂	10½	9¾	9

(10) As an operating guide for the intermeeting period under alternative B, the short-run specifications include a rise in the Federal funds rate to a range centered on 6 per cent. Given the substantial 12½ per cent annual rate of increase in nominal GNP projected for the second half of calendar 1975, this alternative assumes that a tightening up on bank reserve and money market conditions over the near-term would

Alternative Longer-Run Growth Rates for Key Monetary Aggregates

		<u>M₁</u>			<u>M₂</u>			<u>M₃</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975	May	289.8	289.8	289.8	637.4	637.4	637.4	1029.7	1029.7	1029.7
	June	292.5	292.4	292.3	644.4	644.2	644.1	1042.7	1042.5	1042.4
	July	294.2	294.0	293.8	649.8	649.1	648.8	1053.5	1052.8	1052.1
	Sept.	298.7	297.8	296.9	662.0	660.4	658.7	1075.1	1072.6	1070.0
	Dec.	304.5	302.9	301.3	678.7	675.9	673.0	1104.1	1099.0	1093.8
1976	March	309.4	306.7	304.0	693.6	689.0	684.8	1130.4	1122.0	1114.0
	June	313.9	310.7	307.5	707.5	701.8	696.3	1154.9	1143.9	1133.1
1975	QIII	8.5	7.4	6.3	10.9	10.1	9.1	12.4	11.5	10.6
	QIV	7.8	6.9	5.9	10.1	9.4	8.7	10.8	9.8	8.9
1976	QI	6.4	5.0	3.6	8.8	7.8	7.0	9.5	8.4	7.4
	QII	5.8	5.2	4.6	8.0	7.4	6.7	8.7	7.8	6.9
June '75-Dec. '75		8.2	7.2	6.2	10.6	9.8	9.0	11.8	10.8	9.9
Dec. '75-June '76		6.2	5.2	4.1	8.5	7.7	6.9	9.2	8.2	7.2
1975	June	11.2	10.8	10.4	13.2	12.8	12.6	15.2	14.9	14.8
	July	7.0	6.6	6.2	10.1	9.5	8.8	12.4	11.9	11.2

Alternative Longer-Run Growth Rates for Key Monetary Aggregates (cont'd)

		<u>M₄</u>			<u>M₅</u>			<u>Credit Proxy</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975	May	722.9	722.9	722.9	1115.2	1115.2	1115.2	501.3	501.3	501.3
	June	727.9	727.7	727.6	1126.2	1126.0	1125.9	504.6	504.6	504.6
	July	733.0	732.6	732.2	1136.7	1136.1	1135.5	506.4	506.0	505.6
	Sept.	745.4	744.0	742.5	1158.5	1156.2	1153.8	513.0	512.0	511.0
	Dec.	762.9	760.5	758.0	1188.3	1183.6	1178.6	523.0	521.4	519.8
1976	March	779.1	775.1	771.6	1215.9	1208.1	1200.8	531.9	529.3	526.7
	June	794.9	789.9	785.1	1242.3	1232.0	1221.9	542.3	539.2	536.1
1975	QIII	9.6	9.0	8.2	11.5	10.7	9.9	6.7	5.9	5.1
	QIV	9.4	8.9	8.4	10.3	9.5	8.7	7.8	7.3	6.9
1976	QI	8.5	7.7	7.2	9.3	8.3	7.5	6.8	6.1	5.3
	QII	8.1	7.6	7.0	8.7	7.9	7.0	7.8	7.5	7.1
June	'75-Dec. '75	9.6	9.0	8.3	11.0	10.2	9.4	7.3	6.7	6.0
Dec.	'75-June '76	8.4	7.7	7.2	9.1	8.2	7.3	7.4	6.8	6.3
1975	June	8.3	8.0	7.8	11.8	11.6	11.5	7.9	7.9	7.9
	July	8.4	8.1	7.6	11.2	10.8	10.2	4.3	3.3	2.4

be necessary if growth in the monetary aggregates is to be constrained in an environment of rising incomes and transactions demands. Even if the funds rate rises in the weeks ahead to around 6 per cent, staff projections are that M_1 growth over the second half of this year is likely to be on the order of 7 per cent, annual rate, assuming no further increases in the funds rate until late in the period.

(11) The relationship between alternative short-run operating targets and longer-run objectives for the monetary aggregates is, of course, a relatively loose one. Maintenance over the weeks immediately ahead of prevailing money market conditions (as shown for the short-run specifications of alternative A) would probably not be inconsistent with the longer-run objectives of alternative B, but such an approach would appear to entail the need for a more substantial constraint on monetary growth later on, and hence a larger rise in the Federal funds rate later in the summer. We have, therefore, assumed that maintenance of prevailing money market conditions over the short-run would be more consistent with adoption by the Committee of higher longer-run growth objectives for the monetary aggregates, as shown under alternative A.

(12) Given prevailing money market conditions, M_1 growth over the June-July period is expected to be in an 8-10 per cent annual rate range. Growth is expected to slow from the very rapid pace of May and the first part of June as the effect of Treasury disbursement of tax rebates wears off. However, disbursement of the \$1.7 billion of one-time payments to social security recipients in the second half of June, as noted earlier, will tend to sustain private deposits. Thus, any

significant slowdown in M_1 growth probably will be delayed until July. Tightening of the money market over the intermeeting period, as contemplated under alternative B, would work to lower these growth rates slightly, but most of the effect of higher interest rates on the monetary aggregates would develop later on.

(13) Over the next four weeks credit markets are not expected to be subject to significant, additional demand pressures. In fact, between now and mid-year the Treasury will repay a modest amount of debt, on balance. However, the Treasury will need to raise new cash again in early July, with the bulk of this financing probably taking the form of additions to bill auctions. Longer-term credit demands from corporations and state and local governments may remain quite large, but private short-term credit demands will probably continue quite weak for some while as businesses continue to liquidate inventories and utilize the proceeds of capital market issues to repay short-term debt. Thus, on the basis of demands for credit, interest rates are not likely to be under any significant upward pressure over the weeks ahead, apart from a potential seasonal rebound in bill rates after mid-year.

(14) Although the pace of expansion in time deposit funds (other than large CD's) at banks and thrift institutions should diminish with the ending of tax rebate and special social security benefit payments, inflows of such funds are expected to remain generally large. Thus, expansion of M_2 and M_3 is expected to continue sizable--under alternatives A or B--over the next month or two. The continued availability of such funds will permit banks to reduce outstanding large CD's further during

early summer, given weak loan demand at banks. Thrift institutions will be encouraged to continue expanding mortgage loan commitments, and mortgage interest rates could edge down somewhat further if conditions in money and capital markets remain stable.

(15) A significant rise in the Federal funds rate--for example, to the 6 per cent mid-point of the alternative B range--would, however, alter market expectations and lead to upward adjustments in interest rates. The adjustments would probably be most marked in short-term rates, with the 3-month bill rate rising to perhaps $5\frac{3}{4}$ -6 per cent by mid-July. Adjustments in longer-term rates might be moderated by market expectations of a continued slowing in the rate of inflation, a gradual reduction in the prospective volume of new offerings, and by the relatively substantial upward slope to the yield curve that now exists.

(16) Alternative C contemplates more tightening in money market conditions over the near-term--with the funds rate range centered on $6\frac{1}{2}$ per cent--than under alternative B. Such an approach appears compatible with longer-run growth objectives that include holding growth in M_1 over the next year in the $4-6\frac{1}{2}$ per cent annual rate range, as shown in the table in paragraph (7). Under this alternative, growth in M_1 over the March '75-March '76 period would be at the mid-point of the $5-7\frac{1}{2}$ per cent long-run range earlier adopted by the Committee. But this alternative implies enough further tightening in the money market so that growth in the monetary aggregates would be below the bottom of the $5-7\frac{1}{2}$ per cent range for M_1 in the first half of 1976.

(17) Near-term tightening in the money market of the magnitude suggested for alternative C would almost certainly lead to a fairly sharp reaction in other short-term markets and to an upward adjustment in long-term rates. It could even engender expectations of a rise in the discount rate from its current 6 per cent level. Some adverse impact on savings flows to banks and intermediaries could be expected, but short-term rates--typified perhaps by a 3-month bill rate around $6\frac{1}{2}$ per cent--would not be likely to rise so high as to sharply curtail such inflows.

Proposed directive

(18) Presented below are three alternative formulations for the operational paragraph of the directive, which are intended to correspond to the similarly lettered policy alternatives discussed in the preceding section.

Alternative A

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ACHIEVE BANK RESERVE AND MONEY MARKET CONDITIONS CONSISTENT WITH SUBSTANTIAL GROWTH IN MONETARY AGGREGATES OVER THE MONTHS AHEAD maintain-about-the-prevailing-money-market-conditions-over-the period-immediately-ahead,-provided-that-monetary-aggregates-generally appear-to-be-growing-within-currently-acceptable-short-run-ranges of-tolerance.

Alternative B

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ACHIEVE BANK RESERVE AND MONEY MARKET CONDITIONS CONSISTENT WITH MODERATE GROWTH IN MONETARY AGGREGATES OVER THE MONTHS AHEAD maintain-about-the-prevailing-money-market-conditions-over-the period-immediately-ahead,-provided-that-monetary-aggregates generally-appear-to-be-growing-within-currently-acceptable-short-run ranges-of-tolerance.

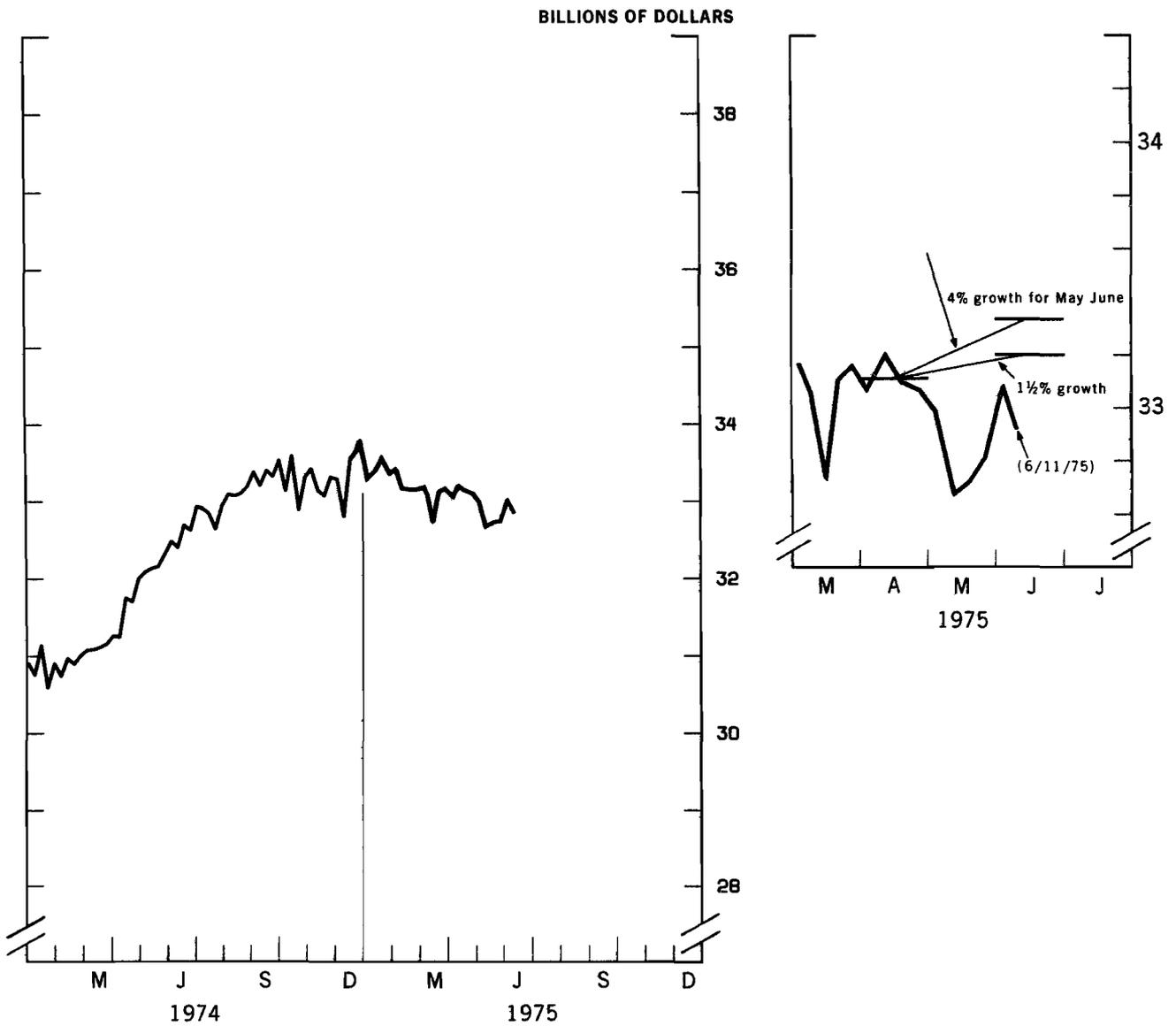
Alternative C

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ACHIEVE BANK RESERVE AND MONEY MARKET CONDITIONS CONSISTENT WITH A SLOWING OF GROWTH IN MONETARY AGGREGATES OVER THE MONTHS AHEAD ~~maintain-about-the-prevailing-money-market-conditions-over-the period-immediately-ahead;-provided-that-monetary-aggregates-generally appear-to-be-growing-within-currently-acceptable-short-run-ranges of-tolerance.~~

CHART 1

CONFIDENTIAL(FR)
CLASS II-FOMC
6/13/75

RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS

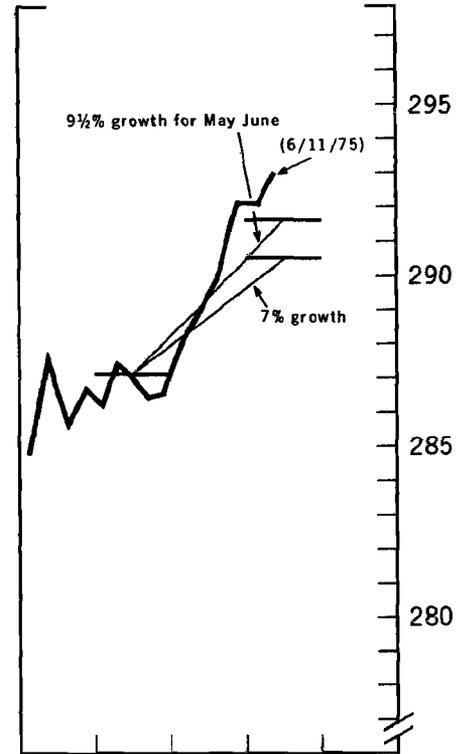
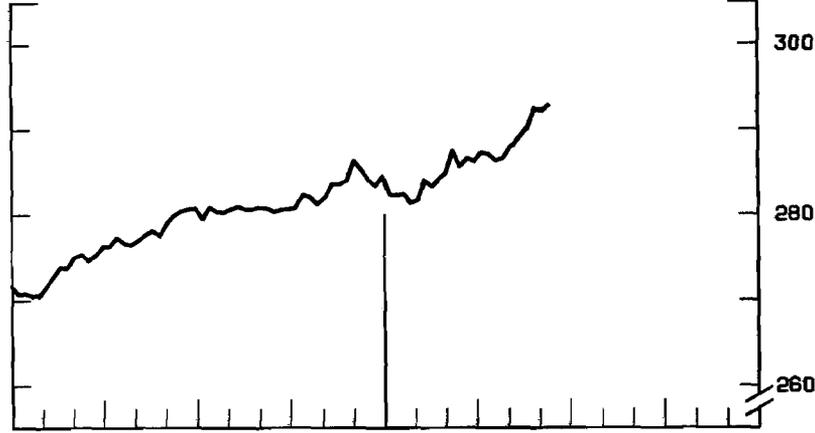


RPD series has been adjusted to remove discontinuities associated with changes in reserve requirement ratios

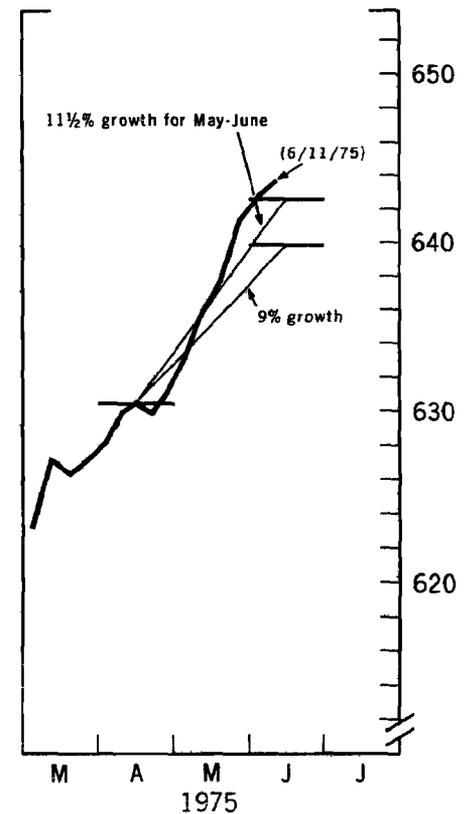
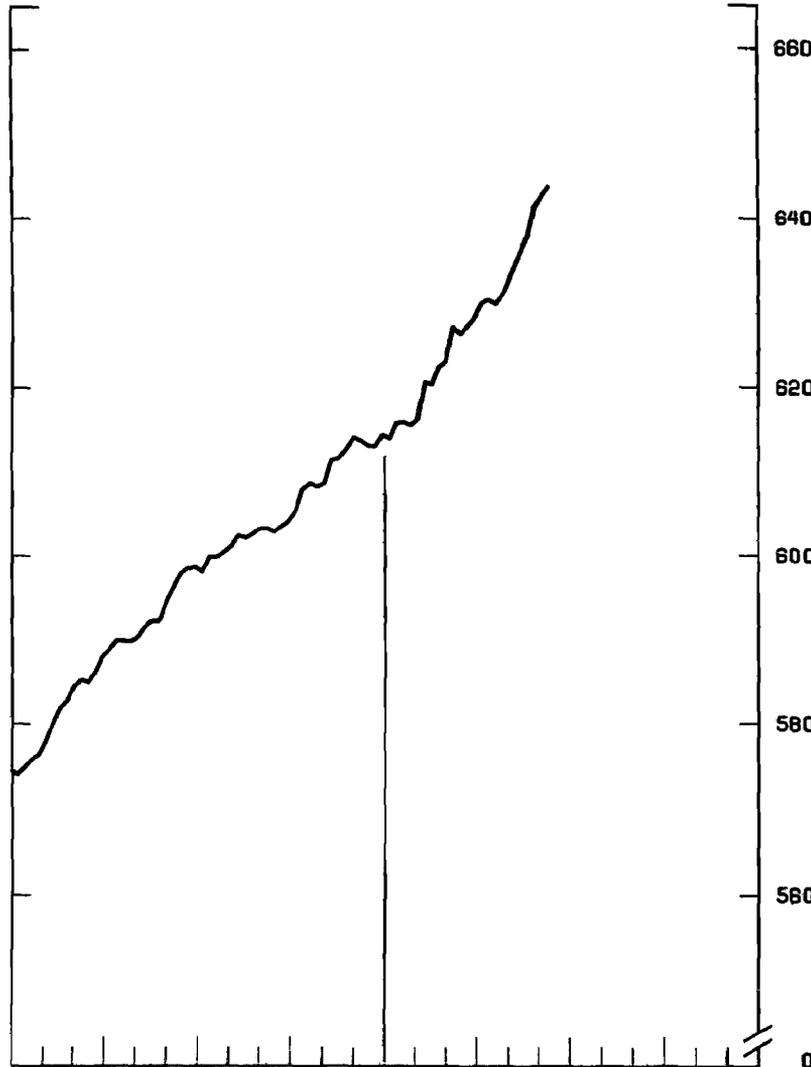
MONETARY AGGREGATES

NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS



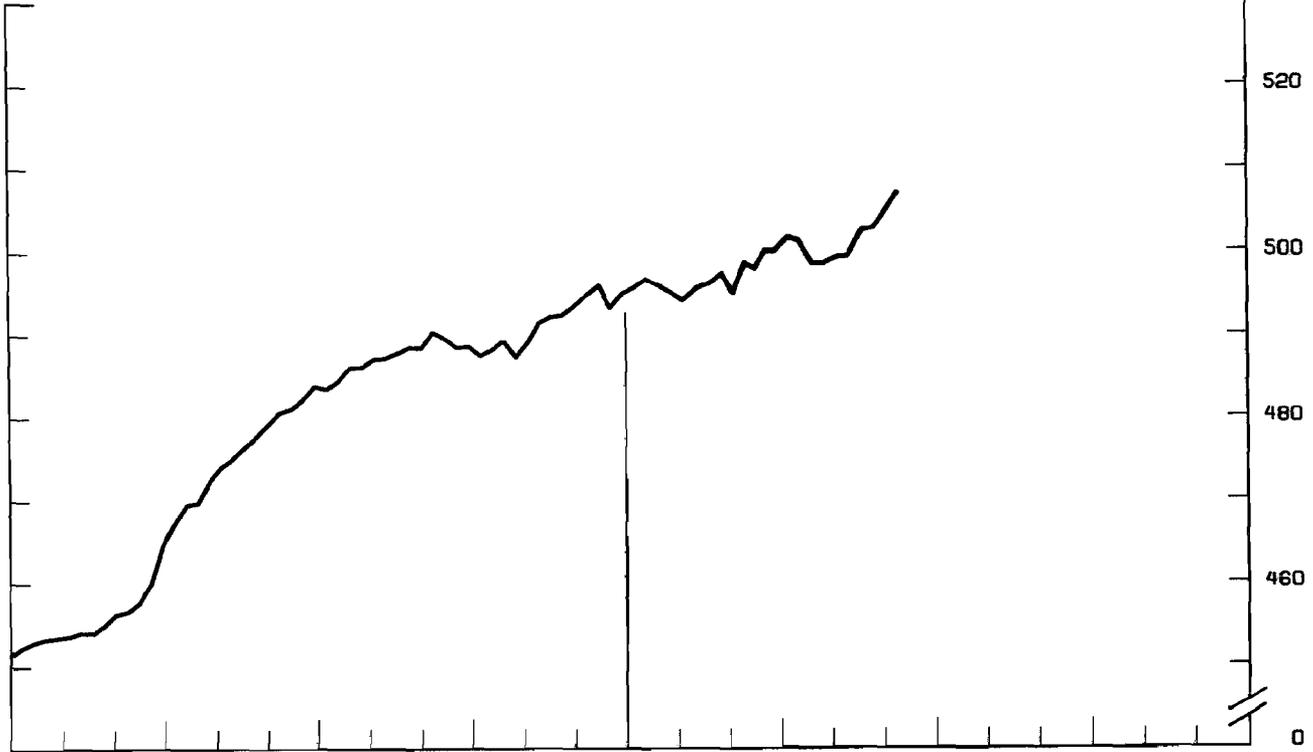
BROADER MONEY SUPPLY M2



MONETARY AGGREGATES

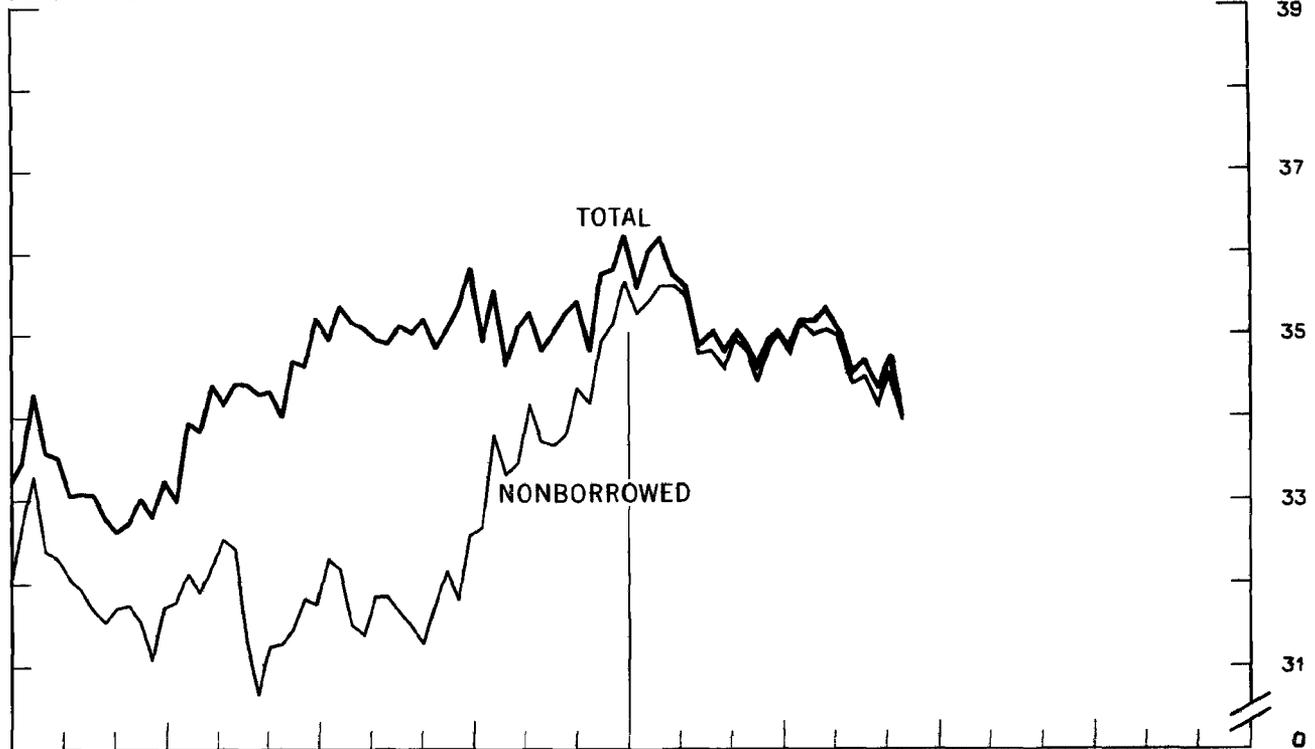
ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



RESERVES

BILLIONS OF DOLLARS



1974

1975

Total and nonborrowed reserve series have been adjusted to remove discontinuities associated with changes in reserve requirement ratios

MONEY MARKET CONDITIONS AND INTEREST RATES

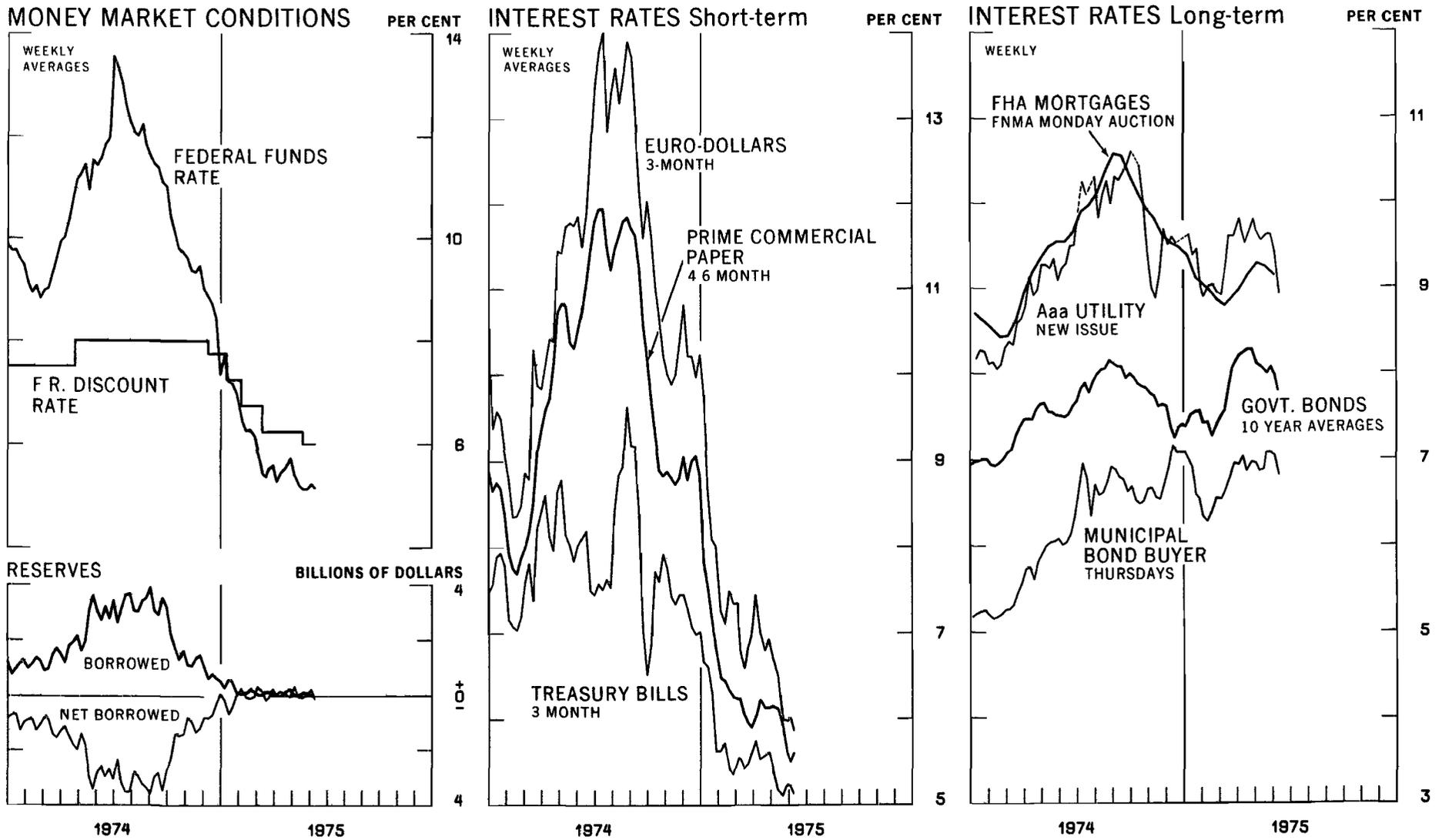


TABLE 1
BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

JUNE 13, 1975

Period	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES				
			Total Reserves	Nonborrowed Reserves	SEASONALLY ADJUSTED				
	SA	NSA			Total Required	Private Demand	Other Time Deposits	CD's and Nondeposits	Gov't. and Interbank
	1	2	3	4	5	6	7	8	9
MONTHLY LEVELS--\$MILLIONS									
1975--FEB.	33,103	33,096	34,925	34,777	34,731	19,095	8,996	4,815	1,826
MAR.	32,951	32,694	34,764	34,658	34,564	19,236	8,868	4,643	1,817
APR.	33,032	33,098	35,003	34,892	34,845	19,474	8,796	4,602	1,973
MAY	32,749	32,605	34,581	34,515	34,426	19,405	8,716	4,471	1,833
JUNE	(33,001)	(32,740)	(34,771)	(34,719)	(34,632)	(19,753)	(8,791)	(4,318)	(1,771)
PERCENT ANNUAL GROWTH									
QUARTERLY									
1974--3RD QTR.	9.1		8.3	5.5	8.4	0.1	11.0		
4TH QTR.	0.8		3.5	35.9	2.8	5.3	6.5		
1975--1ST QTR.	-4.7		-8.3	-1.4	-7.7	-4.3	-7.6		
2ND QTR.	(6.6)		(0.1)	(0.7)	(0.8)	(10.8)	(-3.5)		
MONTHLY									
1975--FEB.	-8.6		-27.3	-19.1	-29.0	-6.5	-15.9		
MAR.	-5.5		-5.5	-4.1	-5.8	8.9	-17.1		
APR.	2.9		8.3	8.1	9.8	14.8	-9.7		
MAY	-10.3		-14.5	-13.0	-14.4	-4.3	-10.9		
JUNE	(9.2)		(6.6)	(7.1)	(7.2)	(21.5)	(10.3)		
MAY-JUNE	(-0.6)		(-4.0)	(-3.0)	(-3.7)	(8.6)	(-0.3)		
WEEKLY LEVELS--\$MILLIONS									
1975--APR. 16	33,121	33,113	35,057	35,035	34,838	19,444	8,627	4,628	1,939
23	33,014	33,267	35,064	34,899	34,994	19,592	8,764	4,585	2,052
30	32,985	33,460	35,204	34,963	35,015	19,470	8,759	4,566	2,220
MAY 7	32,914	33,209	34,915	34,881	34,604	19,342	8,729	4,529	2,003
14	32,601	32,421	34,437	34,420	34,438	19,367	8,734	4,500	1,838
21	32,635	32,370	34,603	34,481	34,532	19,411	8,697	4,455	1,969
28	32,739	32,415	34,314	34,230	34,153	19,433	8,717	4,428	1,575
JUNE 4	32,999	32,620	34,714	34,630	34,368	19,566	8,681	4,406	1,716
11	32,840	32,273	34,005	33,967	34,083	19,816	8,775	4,328	1,164

NOTE: RESERVE SERIES HAVE BEEN ADJUSTED TO REMOVE DISCONTINUITIES ASSOCIATED WITH CHANGES IN RESERVE REQUIREMENT RATIO. DATA SHOWN IN PARANTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF MAY 20, 1975 THE COMMITTEE AGREED ON A RPD RANGE OF 1.50 TO 4.00 PERCENT FOR THE MAY-JUNE PERIOD.

Table 2

CONFIDENTIAL (F.R.)

CLASS II-FOMC

JUNE 13, 1975

MONETARY AGGREGATES

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	MONEY SUPPLY		Adjusted Credit Proxy	U.S. Govt. Deposits	TIME AND SAVINGS DEPOSITS			Nondeposit Sources of Funds
	Narrow (M1)	Broad (M2)			Total	Other Than CD's	CD's	
	1	2	3	4	5	6	7	8
MONTHLY LEVELS--\$BILLIONS								
1975--FEB.	283.5	620.3	495.7	0.6	428.9	336.8	92.1	6.5
MAR.	286.1	626.4	498.1	0.7	430.0	340.3	89.8	6.5
APR.	267.1	630.4	500.2	2.1	431.7	343.3	88.4	6.7
MAY	289.8	637.4	501.3	2.1	433.1	347.6	85.5	7.4
JUNE	(292.5)	(644.4)	(504.5)	(3.1)	(435.3)	(351.8)	(83.5)	(7.4)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1974--3RD QTR.	1.0	4.2	6.7		9.1	7.1	17.2	
4TH QTR.	5.3	6.7	4.2		11.7	7.9	25.9	
1975--1ST QTR.	2.4	8.4	3.1		10.1	13.6	-2.2	
2ND QTR.	8.9	11.5	5.1		4.9	13.5	-28.1	
MONTHLY								
1975--FEB.	5.5	9.4	-0.2		8.2	12.6	-7.8	
MAR.	11.0	11.8	5.8		3.1	12.5	-30.0	
APR.	4.2	7.7	5.1		4.7	10.6	-18.7	
MAY	11.3	13.3	2.6		3.9	15.0	-39.4	
JUNE	(11.2)	(13.2)	(7.7)		(6.1)	(14.5)	(-28.1)	
MAY--JUNE	(11.3)	(13.3)	(5.2)		(5.0)	(14.9)	(-33.3)	
WEEKLY LEVELS--\$BILLIONS								
1975--APR. 16	287.1	630.4	501.2	3.0	431.8	343.3	88.6	6.6
23	286.3	629.8	498.6	1.4	431.4	343.5	87.9	7.2
30	286.5	630.9	498.6	1.9	431.6	344.4	87.2	6.9
MAY 7	288.0	633.2	499.3	2.0	431.6	345.1	86.4	7.0
14	289.0	636.0	499.5	1.4	433.3	347.0	86.3	7.0
21	289.9	637.7	502.6	2.5	433.7	347.8	85.9	7.8
28	292.1	641.5	502.9	2.5	433.8	349.4	84.4	7.9
JUNE 4 P	292.1	642.9	505.3	3.6	434.5	350.8	83.8	7.5
11 PE	293.0	643.8	507.0	6.0	434.5	350.8	83.7	7.4

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY
PE - PARTIALLY ESTIMATED

TABLE 3
 RESERVE EFFECT OF
 OPEN MARKET OPERATIONS AND OTHER RESERVE FACTORS
 (Millions of dollars, not seasonally adjusted)

	Open Market Operations 1/					Daily Average Reserve Effects 2/			Δ in reserve categories		Δ Target
	Bills & Accept. (1)	Coupon Issues (2)	Agency Issues (3)	RP's Net 3/ (4)	Total (5)	Open Market Operations (6)	Δ Member Bank Borrowing (7)	Other 4/ (8)	Req. res. against U.S.G. and interb. (9)	available res. 5/ (6)+(7)+(8)-(9) (10)	available reserves 5/ (11)
<u>Monthly</u>											
1974--Nov.	1,217	212	331	981	2,739	327	-507	201	-183	204	395
Dec.	729	280	360	-976	393	2,963	-583	-2,395	66	-81	450
1975--Jan.	-1,102	406	-14	1,097	387	-636	-313	1,548	258	341	965
Feb.	-1,015	316	295	714	309	-1,241	-243	-499	-344	-1,627	-670
Mar.	112	1,301	207	-1,758	-136	53	-41	-773	-13	-766	-495
Apr.	1,319	1,070	-2	5,442	7,829	2,229	4	-1,767	54	414	495
May	197	50	-97	-3,357	-3,207	510	-50	-1,193	6	-739	-170
June											215
July											
<u>Weekly</u>											
1975--Apr. 2	-282	373	208	-2,371	-2,072	-493	-104	868	163	108	
9	-669	--	--	-1,906	-2,575	-2,016	-21	1,613	-90	-334	
16	411r	--	--	3,750	4,161r	620	-11	23	111	521	
23	317	539	--	-324	532	2,383	144	-2,481	-200	246	
30	1,231	530	--	4,189	5,950	4,097	76	-3,927	53	193	
May 7	274	--	-27	-2,827	-2,580	966	-207	-1,017	-6	-252	
14	425	50	--	-698	-223	-905	-17	202	70	-790	
21	244	--	--	3,932	4,175	1,155	105	-1,075	253	-68p	
28	-91	--	-71	-1,101	-1,262	-522	-38	70p	-472p	-18p	
June 4	-724	--	-6	-4,652	-5,383	-1,364	--	-1,033p	126p	-2,523p	
11	-582	--	--	-3,571	-4,153	-4,745	2	3,866	-531p	-346p	
18											
25											

1/ Represents change in System's portfolio from end-of-period to end-of-period; includes redemptions in regular bill auctions.

2/ Represents change in daily average level for preceding period.

3/ Includes matched sale-purchase transactions as well as RP's.

4/ Sum of changes in vault cash, currency in circulation, Treasury operations, F.R. float, gold and foreign accounts, and other F.R. accounts.

5/ Reserves to support private nonbank deposits. Target change for May and June reflects the target adopted at the May 20, 1975 FOMC meeting.

Target change for previous months reflects the bluebook patterns that are consistent with target ranges that were adopted during the month.

* Special certificate (Direct Treasury borrowing from F.R.) ** Reflects special certificate purchase. p--preliminary.

TABLE 4
 NET CHANGES IN SYSTEM HOLDINGS OF SECURITIES 1/
 (\$ millions, not seasonally adjusted)

Period	Treasury Bills Net Purchases <u>2/</u>	Treasury Coupons					Federal Agencies					Net Change Outright Holdings Total <u>4/</u>	RP's Net <u>5/</u>
		Net Purchases <u>3/</u>					Net Purchases <u>3/</u>						
		Within 1-year	1 - 5	5 - 10	Over 10	Total	Within 1-year	1 - 5	5 - 10	Over 10	Total		
1972	- 490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	- 46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	- 154
1974--Qtr. I	- 497	9	232	133	25	399	--	138	135	45	318	88	1,431
Qtr. II	874	160	232	109	54	555	106	430	229	103	870	2,188	- 358
Qtr. III	945	49	118	62	73	302	195	726	165	117	1,203	2,620	- 986
Qtr. IV	- 43	102	215	131	45	492	138	371	130	53	691	1,402	- 238
1975--Qtr. I	-2,093	33	795	625	312	1,765	69	169	285	61	584	508	53
1975--Jan.	-1,205	14	305	61	26	406	--	--	--	--	--	- 710	1,097
Feb.	-1,003	--	129	113	74	316	69	167	121	19	376	- 404	714
Mar.	115	19	361	451	212	1,043	--	2	166	42	210	1,620	-1,758
Apr.	1,295r	148	485	274	164	1,070	--	--	- 2	--	-2	2,387r	5,442
May	143	50	--	--	--	--	--	--	--	--	--	150	-3,357
Apr. 2	- 293	--	--	41	73	114	--	2	164	42	208	300	-2,371
9	- 642	--	--	--	--	--	--	--	--	--	--	- 669	-1,906
16	416r	--	--	--	--	--	--	--	--	--	--	410r	3,750
23	311	108	209	168	55	539	--	--	--	--	--	856	- 324
30	1,192	40	276	106	109	530	--	--	--	--	--	1,761	4,189
May 7	265	--	--	--	--	--	--	--	--	--	--	247	-2,827
14	396	50	--	--	--	50	--	--	--	--	--	476	- 698
21	236	--	--	--	--	--	--	--	--	--	--	244	3,932
28	-95	--	--	--	--	--	--	--	--	--	--	- 162	-1,101
June 4	-704	--	--	--	--	--	--	--	--	--	--	- 731	-4,652
11	-560	--	--	--	--	--	--	--	--	--	--	- 582	-3,571
18													
25													

1/ Change from end-of-period to end-of-period.

2/ Outright transactions in market and with foreign accounts, and redemptions (-) in bill auctions.

3/ Outright transactions with market and with foreign accounts only. Excludes redemptions and maturity shifts.

4/ In addition to net purchases of securities, also reflects: changes in System holdings of bankers' acceptances, direct Treasury borrowings from the System, and redemptions (-) of Agency and Treasury coupon issues.

5/ Includes changes in both RP's (+) and matched sale-purchase transactions (-).

TABLE 5

SECURITY DEALER POSITIONS AND BANK POSITIONS
(millions of dollars)

Period	U.S. Govt. Security Dealer Positions		Dealer Positions		Excess** Reserves	Member Bank Reserve Positions			
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)		Borrowing at FRB*		Basic Reserve Deficit	
						Total (6)	Seasonal (7)	8 New York (8)	38 Others (9)
1974--High	3,678	2,203	253	384	628	3,906	176	-7,870	-12,826
Low	-289	-309	0	27	-168	647	13	-2,447	- 6,046
1975--High	5,013	2,845	464	389	577	609	22	-7,387	-11,636
Low	1,586	532	0	48	-42	18	5	-1,757	- 8,070
1974--May	408	85	142	83	178	2,590	102	-3,171	- 9,091
June	580	9	66	124	204	3,020	134	-4,445	- 9,920
July	457	-214	14	79	162	3,075	149	-3,522	- 9,555
Aug.	1,758	398	33	108	197	3,337	164	-4,231	- 9,224
Sept.	2,309	552	23	85	180	3,282	139	-4,235	- 8,250
Oct.	2,174	654	25	166	197	1,813	117	-4,602	- 8,689
Nov.	2,900	1,608	83	268	205	1,252	67	-6,322	- 9,715
Dec.	2,985	1,836	175	149	258	727	32	-5,960	-10,169
1975--Jan.	2,501	2,050	97	79	147	398	14	-5,378	- 9,744
Feb.	3,329	2,121	144	166	198	147	11	-6,318	- 9,533
Mar.	3,143	2,521	307	195	195	96	7	-5,732	-10,302
Apr.	2,737	1,617	35	115	143	110	6	-4,079	-10,426
May	*4,744	*1,752	91	170	161p	66p	9p	-4,130p	- 9,633p
1975--Apr. 2	3,287	2,501	47	154	279	51	7	-4,643	- 9,617
9	3,138	2,336	13	92	118	30	7	-5,716	-11,390
16	2,772	1,862	26	91	219	22	5	-5,025	-11,326
23	2,296	1,286	55	122	70	165	6	-3,590	-10,893
30	2,291	601	0	109	189	241	6	-1,757	- 8 070
May 7	4,129	532	80	130	311	34	10	-2,601	- 9,175
14	4,470	2,144	55	190	- 1	17	8	-4,743	- 9,562
21	*4,728	*2,352	144	256	71	121	8	-4,093	-10,198
28	*4,658	*2,109	85	166	161p	84p	10p	-3,990	- 9,302
June 4	*4,634	*1,445	4	175	346p	84p	9p	-4,738p	- 9,136p
11	*5,013	*1,163	12p	60p	-77p	38p	11p	-6,468p	-11,636p
18									
25									

NOTE: Government security dealer trading positions are on a commitment basis. Trading positions, which exclude Treasury bills financed by repurchase agreements maturing in 16 days or more, are indicators of dealer holdings available for sale over the near-term. Other security dealer positions issues still in syndicate, excluding trading positions. The basic reserve deficit is excess reserves less borrowing at Federal Reserves less net Federal funds purchases. Weekly data are daily averages for statement weeks, except for corporate and municipal issues in syndicate which are Friday figures.

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** Monthly averages for excess reserves and borrowings are weighted averages of statement week figures.

TABLE 6
SELECTED INTEREST RATES
(Per Cent)

Period	Short-Term						Long-Term				
	Federal funds	Treasury Bills		90-119 Day Commercial Paper	CD's New Issue-NYC		Aaa Utility New Issue	Recently Offered	Municipal Bond Buyer	U.S. Government (10-yr. Constant Maturity)	FNMA Auctions Yields
		90-day	1-year		60-89 Day	90-119 Day					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
1974--High	13.55	9.63	9.54	12.25	12.25	12.00	10.61	10.52	7.15	8.14	10.59
Low	8.45	6.53	6.39	7.88	8.00	7.88	8.05	8.14	5.16	6.93	8.43
1975--High	7.70	7.02	6.69	9.34	9.00	9.00	9.80	9.71	7.09	8.28	9.47
Low	5.13	5.10	5.46	5.38	5.25	5.38	8.89	9.06	6.27	7.27	8.78
1974--May	11.31	8.23	8.21	10.82	10.83	10.90	9.24	9.13	6.02	7.58	9.41
June	11.93	7.90	8.16	11.18	11.06	10.88	9.38	9.40	6.13	7.54	9.54
July	12.92	7.55	8.04	11.93	11.83	11.83	10.20	10.04	6.68	7.81	9.84
Aug.	12.01	8.96	8.88	11.79	11.69	11.91	10.07	10.19	6.69	8.04	10.25
Sept.	11.34	8.06	8.52	11.36	11.19	11.38	10.38	10.30	6.76	8.04	10.58
Oct.	10.06	7.46	7.59	9.55	9.35	9.33	10.16	10.23	6.57	7.90	10.22
Nov.	9.45	7.47	7.29	8.95	8.78	8.72	9.21	9.34	6.61	7.68	9.87
Dec.	8.53	7.15	6.79	9.18	9.00	8.84	9.53	9.56	7.05	7.43*	9.53
1975--Jan.	7.13	6.26	6.27	7.39	7.43	7.45	9.36	9.45	6.82	7.50*	9.25
Feb.	6.24	5.50	5.56	6.36	6.00	6.25	8.97	9.09	6.39	7.39*	8.93
Mar.	5.54	5.49	5.70	6.06	5.88	6.03	9.35	9.38	6.74	7.73	8.82
Apr.	5.49	5.61	6.40	6.11	5.85	6.03	9.67	9.66	6.94	8.23	9.06
May	5.22	5.23	5.91	5.70	5.44	5.63	9.63	9.65	6.97	8.06	9.27
Apr. 2	5.59	5.58	6.01	6.03	5.75	5.88	9.80	9.70	6.93	8.12	--
9	5.28	5.74	6.48	6.10	5.88	6.13	9.65	9.60	7.03	8.21	8.98
16	5.44	5.52	6.33	6.18	5.88	6.13	9.51	9.55	6.86	8.19	--
23	5.54	5.57	6.44	6.13	5.88	6.00	9.66	9.71	6.97	8.28	9.13
30	5.71	5.60	6.44	6.08	5.88	6.00	9.80	9.69	6.95	8.28	--
May 7	5.42	5.41	6.21	5.98	5.75	5.88	9.65	9.60	6.86	8.09	9.29
14	5.20	5.18	5.90	5.90	5.50	5.75	9.54	9.61	6.88	8.04	--
21	5.13	5.10	5.77	5.60	5.25	5.50	9.61	9.66	7.09	8.00	9.25
28	5.14	5.22	5.76	5.38	5.25	5.40	9.62	9.70	7.09	8.06	--
June 4	5.24	5.23	5.79	5.43	5.25	5.40	9.41r	9.53r	7.05	7.97	9.14
11	5.15	5.12	5.63	5.55	5.25	5.38	8.92p	9.24p	6.80	7.78p	--
18											
25											
Daily--June 5	5.17	5.22	5.79	5.50	--	--	--	--	--	7.97	--
12	5.19p	4.89	5.40	5.50	--	--	--	--	--	n.a.	--

NOTE: Weekly data for columns 1 to 4 are statement week averages of daily data. Columns 5 and 6 are one-day Wednesday quotes. For columns 7, 8, and 10 the weekly data is the mid-point of the calendar week over which data are averaged. Column 9 is a one-day quote for Thursday following the end of the statement week. Column 11 gives FNMA auction data for the Monday preceding the end of the statement week. The FNMA auction yield is the average yield in bi-weekly auction for short-term forward commitments for Government underwritten mortgages.

* The Treasury has revised its procedure for computing the constant maturity yields. Data have been revised back through December 1974 and result in an average increase of about 8 basis points in the level of the 10-year yield.

p- preliminary.

APPENDIX TABLE 1-A
MONEY AND CREDIT AGGREGATE MEASURES

JUNE 13, 1975

Period	RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Available to Support Pvt. Deposits	Adj Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:	(Per cent annual rates of growth)											
1972	10.8	7.5	10.1	11.3	14.6	8.7	11.1	13.2	12.5	14.0	12.9	12.9
1973	7.8	7.2	9.2	10.4	13.5	6.1	8.8	8.8	11.6	10.6	11.2	11.9
1974	8.6	10.8	8.9	10.2	9.2	4.8	7.2	6.8	10.7	9.0	9.1	9.2
SEMI-ANNUALLY:												
1ST HALF 1973	6.4	1.2	9.8	13.5	16.6	7.4	9.1	9.7	14.2	13.0	13.4	13.1
2ND HALF 1973	8.9	13.2	8.2	6.8	9.6	4.7	8.3	7.6	8.5	7.8	8.4	10.0
1ST HALF 1974	11.0	0.5	12.6	14.5	15.1	6.3	8.7	7.9	13.3	10.9	10.9	11.2
2ND HALF 1974	5.9	21.0	4.9	5.4	3.0	3.1	5.5	5.4	7.5	6.7	7.0	6.9
QUARTERLY:												
1ST QTR. 1974	1.3	1.1	5.8	8.2	17.5	5.5	9.3	8.9	10.9	10.0	9.8	10.3
2ND QTR. 1974	20.5	-0.1	19.1	20.4	12.1	7.0	7.9	6.8	15.3	11.6	11.8	11.8
3RD QTR. 1974	8.3	5.5	9.1	6.7	7.3	1.0	4.2	3.8	5.8	4.9	5.6	6.4
4TH QTR. 1974	3.5	35.9	0.8	4.2	-1.1	5.3	6.7	6.9	9.1	8.4	8.3	7.2
1ST QTR. 1975	-8.3	-1.4	-4.7	3.1	4.4	2.4	8.4	10.4	7.0	9.3	8.5	8.0
MONTHLY:												
1974--MAY	21.8	-9.1	21.5	16.9	12.1	4.3	4.5	3.7	12.5	8.8	8.7	8.8
JUNE	7.6	-7.6	15.7	13.6	5.8	10.4	11.2	9.0	14.7	11.6	11.2	11.2
JULY	21.6	12.5	8.6	9.2	17.6	1.7	5.0	4.9	8.5	7.2	7.9	8.6
AUG.	-3.9	-5.6	10.8	6.4	11.1	0.4	4.6	3.6	4.4	3.5	4.2	5.4
SEPT.	7.0	9.7	7.8	4.2	-6.9	0.9	3.0	2.9	4.4	4.0	4.5	5.3
OCT.	-3.1	51.8	-1.5	-0.2	1.4	3.8	8.4	7.1	9.8	8.0	8.8	8.4
NOV.	-1.7	18.4	-2.7	5.2	5.0	8.5	7.9	7.7	5.7	6.2	5.9	4.7
DEC.	15.6	34.8	6.5	7.6	-9.6	3.4	3.7	5.9	11.5	10.8	10.0	8.3
1975--JAN.	7.9	19.4	0.0	3.6	3.6	-9.3	3.9	6.5	7.7	8.7	9.6	8.4
FEB.	-27.3	-19.1	-8.6	-0.2	2.8	5.5	9.4	10.5	6.9	8.7	7.8	7.5
MAR.	-5.5	-4.1	-5.5	5.8	6.7	11.0	11.8	14.0	6.2	10.3	8.0	7.9
APR.	8.3	8.1	2.9	5.1	2.4	4.2	7.7	11.8	4.5	9.4	8.2	8.2
MAY P	-14.5	-13.0	-10.3	2.6	3.8	11.3	13.3	14.9	6.8	10.5	13.9	12.5

NOTES: RESERVE REQUIREMENTS ON EURODOLLAR BORROWINGS ARE INCLUDED BEGINNING OCTOBER 16, 1969, AND REQUIREMENTS ON BANK-RELATED COMMERCIAL PAPER ARE INCLUDED BEGINNING OCTOBER 1, 1970.

1/ BASED ON DATA ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS.

P - PRELIMINARY.

MONEY AND CREDIT AGGREGATE MEASURES

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

Period	RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Available to Support Pvt. Deposits	Adj Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:												
1972	30,330	29,281	28,039	406.4	559.0	255.8	525.7	844.9	569.7	888.8	985.5	1013.1
1973	32,689	31,391	30,610	448.7	634.6	271.5	572.2	919.6	636.0	983.4	1095.4	1133.6
MONTHLY:												
1974--MAR.	32,795	31,481	31,054	457.9	662.4	275.2	585.5	940.0	653.4	1007.9	1122.1	1162.8
APR.	33,652	31,916	31,551	469.2	672.3	276.6	589.4	945.9	663.3	1019.8	1136.3	1177.5
MAY.	34,263	31,673	32,115	475.8	679.1	277.6	591.6	948.8	670.2	1027.3	1144.5	1186.1
JUNE	34,479	31,473	32,536	481.2	682.9	280.0	597.1	955.9	678.4	1037.2	1155.2	1197.2
JULY	35,101	31,800	32,770	484.9	692.9	280.4	599.6	959.8	683.2	1043.4	1162.8	1205.8
AUG.	34,988	31,652	33,064	487.5	699.2	280.5	601.9	962.7	685.7	1046.4	1166.9	1211.2
SEPT.	35,191	31,909	33,278	489.2	695.2	280.7	603.4	965.0	688.2	1049.9	1171.3	1216.5
OCT.	35,099	33,286	33,236	488.3	696.0	281.6	607.6	970.7	693.8	1056.9	1179.9	1225.0
NOV.	35,048	33,795	33,160	491.2	697.4	283.6	611.6	976.9	697.1	1062.4	1185.7	1229.8
DEC.	35,503	34,776	33,341	494.3	691.8	284.4	613.5	981.7	703.8	1072.0	1195.6	1238.3
1975--JAN.	35,737	35,339	33,341	495.8	693.9	282.2	615.5	987.0	708.3	1079.8	1205.2	1247.0
FEB.	34,925	34,777	33,103	495.7	695.5	283.5	620.3	995.6	712.4	1087.6	1213.0	1254.8
MAR.	34,764	34,658	32,951	498.1	699.4	286.1	626.4	1007.2	716.1	1096.9	1221.1	1263.1
APR.	35,003	34,892	33,032	500.2	700.8	287.1	630.4	1017.1	718.8	1105.5	1229.4	1271.7
MAY P	34,581	34,515	32,749	501.3	703.0	289.8	637.4	1029.7	722.9	1115.2	1243.6	1285.0
WEEKLY:												
1975--APR. 9	34,710	34,680	32,994	501.5		287.3	629.9		719.3			
16	35,057	35,035	33,121	501.2		287.1	630.4		719.0			
23	35,064	34,899	33,014	498.6		286.3	629.8		717.7			
30	35,204	34,963	32,985	498.6		286.5	630.9		718.2			
MAY 7	34,915	34,881	32,914	499.3		288.0	633.2		719.6			
14	34,437	34,420	32,601	499.5		289.0	636.0		722.3			
21	34,603	34,481	32,635	502.6		289.9	637.7		723.5			
28P	34,314	34,230	32,739	502.9		292.1	641.5		725.9			
JUNE 4P	34,714	34,630	32,999	505.3		292.1	642.9		726.7			

NOTES: RESERVE REQUIREMENTS ON EURODOLLAR BORROWINGS ARE INCLUDED BEGINNING OCTOBER 16, 1969, AND REQUIREMENTS ON BANK-RELATED COMMERCIAL PAPER ARE INCLUDED BEGINNING OCTOBER 1, 1970.

1/ BASED ON DATA ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS.

P - PRELIMINARY.

APPENDIX TABLE 2-A
COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time Total Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares ^{1/}	Credit Union Shares ^{1/}	CD's	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities	Commercial Paper ^{1/}
	1	2	3	4	5	6	7	8	9	10
(Per cent annual rates of growth)										
ANNUALLY:										
1972	8.2	8.9	15.7	13.5	16.7	18.0	31.0	6.1	0.5	15.0
1973	8.3	5.5	16.2	11.4	8.5	13.9	45.3	5.1	30.9	38.8
1974	10.2	3.1	15.1	9.4	5.6	11.8	41.5	4.8	16.5	11.5
SEMI-ANNUALLY:										
1ST HALF 1973	8.4	7.1	19.8	10.6	10.4	17.6	76.1	6.0	30.7	5.1
2ND HALF 1973	7.8	3.8	11.4	11.6	6.3	9.4	10.6	4.1	27.0	70.7
1ST HALF 1974	9.7	5.2	18.6	10.9	5.9	13.8	54.9	4.3	17.7	19.8
2ND HALF 1974	10.2	1.0	10.5	7.6	5.1	9.1	22.1	5.2	14.1	2.9
QUARTERLY:										
1ST QTR. 1974	11.0	3.8	15.1	12.8	7.9	13.0	26.3	4.0	12.3	25.1
2ND QTR. 1974	8.2	6.6	21.3	8.8	3.9	14.2	78.2	4.6	22.3	13.8
3RD QTR. 1974	8.0	-1.1	9.1	7.1	3.1	6.1	17.2	5.2	19.0	29.5
4TH QTR. 1974	12.1	3.2	11.7	7.9	6.9	12.0	25.9	5.2	8.8	-27.1
1ST QTR. 1975	9.4	0.2	10.1	13.6	13.1	18.9	-2.2	6.4	-2.0	-6.6
MONTHLY:										
1974--MAY	7.5	2.8	18.0	5.0	1.5	9.3	74.7	3.9	10.8	8.7
JUNE	5.6	11.8	18.0	11.8	4.3	18.5	42.8	3.9	10.7	14.4
JULY	3.7	1.1	13.3	7.9	4.7	9.1	33.9	5.9	25.4	22.8
AUG.	13.0	-3.3	7.1	8.6	1.8	0.0	2.9	3.9	18.7	39.2
SEPT.	7.3	-1.1	6.8	4.5	2.9	9.1	14.3	5.8	12.2	24.4
OCT.	10.9	2.2	13.5	11.9	4.3	9.0	19.8	5.8	28.3	-2.7
NOV.	16.2	5.6	4.4	7.7	7.1	13.4	-9.7	3.9	-2.0	-29.3
DEC.	8.9	1.7	16.8	4.0	9.2	13.2	67.4	5.8	0.0	-35.5
1975--JAN.	5.3	-13.9	18.9	15.3	9.9	17.5	31.9	7.6	31.6	-25.3
FEB.	10.6	3.9	8.2	12.6	11.5	17.2	-7.8	5.7	-7.7	0.0
MAR.	12.2	10.6	3.1	12.5	17.6	21.2	-30.0	5.7	-29.1	5.7
APR.	1.7	5.0	4.7	10.6	18.4	20.8	-18.7	5.6	-9.9	8.6
MAY P	12.1	11.0	3.9	15.0	17.1	16.4	-39.4	3.7	84.1	-25.5

NOTES: RESERVE REQUIREMENTS ON EURO-DOLLAR BORROWINGS ARE INCLUDED BEGINNING OCTOBER 14, 1969, AND REQUIREMENTS ON BANK-RELATED COMMERCIAL PAPER ARE INCLUDED BEGINNING OCTOBER 1, 1970.
^{1/} GROWTH RATES ARE BASED ON ESTIMATED MONTHLY AVERAGE LEVELS DERIVED BY AVERAGING END OF CURRENT MONTH AND END OF PREVIOUS MONTH REPORTED DATA.
P - PRELIMINARY.

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time Total Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares ^{1/}	Credit Union Shares ^{1/}	CD's	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities	Commercial Paper ^{1/}	Non-deposit Funds	U S Gov't Demand
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:												
1972	56.9	198.9	313.8	269.9	297.5	21.6	43.9	57.0	39.8	27.6	4.3	5.6
1973	61.6	209.9	364.5	300.7	322.8	24.6	63.8	59.9	52.1	38.3	6.6	3.9
MONTHLY:												
1974--MAR.	63.3	211.9	378.3	310.3	329.2	25.4	68.0	60.5	53.7	40.7	7.5	3.2
APR.	63.9	212.8	386.7	312.7	330.8	25.7	73.9	60.8	55.7	41.3	8.1	4.6
MAY	64.3	213.3	392.5	314.0	331.2	25.9	78.5	61.0	56.2	41.6	8.8	5.6
JUNE	64.6	215.4	398.4	317.1	332.4	26.3	81.3	61.2	56.7	42.1	8.4	5.3
JULY	64.8	215.6	402.8	319.2	333.7	26.5	83.6	61.5	57.9	42.9	9.2	4.2
AUG.	65.5	215.0	405.2	321.5	334.2	26.5	83.8	61.7	58.8	44.3	9.0	6.2
SEPT.	65.9	214.8	407.5	322.7	335.0	26.7	84.8	62.0	59.4	45.2	8.6	6.3
OCT.	66.5	215.2	412.1	325.9	336.2	26.9	86.2	62.3	60.8	45.1	7.9	3.7
NOV.	67.4	216.2	413.6	328.0	338.2	27.2	85.5	62.5	60.7	44.0	7.6	4.6
DEC.	67.9	216.5	419.4	329.1	340.8	27.5	90.3	62.8	60.7	42.7	8.4	1.9
1975--JAN.	68.2	214.0	426.0	333.3	343.6	27.9	92.7	63.2	62.3	41.8	7.6	0.7
FEB.	68.8	214.7	428.9	336.8	346.9	28.3	92.1	63.5	61.9	41.8	6.5	0.6
MAR.	69.5	216.6	430.0	340.3	352.0	28.8	89.8	63.8	60.4	42.0	6.5	0.7
APR.	69.6	217.5	431.7	343.3	357.4	29.3	88.4	64.1	59.9	42.3	6.7	2.1
MAY P	70.3	219.5	433.1	347.6	362.5	29.7	85.5	64.3	64.1	41.4	7.4	2.1
WEEKLY:												
1975--APR. 9	69.5	217.8	432.0	342.6			89.4				6.3	2.7
16	69.5	217.6	431.8	343.3			88.6				6.6	3.0
23	69.7	216.6	431.4	343.5			87.9				7.2	1.4
30	69.8	216.8	431.6	344.4			87.2				6.9	1.9
MAY 7	69.8	218.2	431.6	345.1			86.4				7.0	2.0
14	70.2	218.8	433.3	347.0			86.3				7.0	1.4
21	70.5	219.4	433.7	347.8			85.9				7.8	2.5
28P	70.8	221.3	433.8	349.4			84.4				7.9	2.5
JUNE 4P	70.6	221.6	434.5	350.8			83.8				7.5	3.6

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURODOLLAR BORROWINGS OF U.S. BANKS. WEEKLY DATA ARE DAILY AVERAGES FOR STATEMENT WEEKS. MONTHLY DATA ARE DAILY AVERAGES. WEEKLY DATA ARE NOT AVAILABLE FOR M3, M5, M6, M7, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

^{1/} ESTIMATED MONTHLY AVERAGE LEVELS DERIVED BY AVERAGING END OF CURRENT MONTH AND END OF PREVIOUS MONTH REPORTED DATA.

P - PRELIMINARY

Appendix Table III

Growth Rate in Money Supply
(Per cent change at an annual rate)
(Revised Series)

		M ₁		M ₂		M ₃	
		M	Q	M	Q	M	Q
1973	I	3.4	6.8	7.3	9.1	8.8	10.4
	II	11.3	7.3	10.6	8.6	10.5	9.1
	III	0.6	5.5	5.6	7.8	5.2	7.5
	IV	8.7	5.0	10.8	8.9	9.8	7.9
1974	I	5.5	5.8	9.3	9.6	8.9	9.1
	II	7.0	7.3	7.9	8.3	6.8	7.6
	III	1.0	3.5	4.2	6.0	3.8	5.2
	IV	5.3	3.9	6.7	6.2	6.9	5.8
1975	I	2.4	1.0	8.4	6.4	10.4	8.3
	II	8.9	8.3	11.5	10.8	14.0	13.3

M = Annual rates of growth calculated from average levels in the final months of the quarters.

Q = Annual rate calculated from average levels in all three months of the quarters.

Appendix Table IV

SHORT-RUN OPERATING GUIDES*

		<u>Total Reserves</u>			<u>Nonborrowed Reserves</u>			<u>RPD</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975	May	34,581	34,581	34,581	34,515	34,515	34,515	32,593	32,593	32,593
	June	34,794	34,781	34,768	34,724	34,704	34,684	32,862	32,859	32,856
	July	35,089	35,038	34,987	35,009	34,901	34,793	33,013	32,988	32,963
1975	June	7.4	6.9	6.5	7.3	6.6	5.9	9.9	9.8	9.7
	July	10.2	8.9	7.5	9.8	6.8	3.8	5.5	4.7	3.9
	June-July	8.8	7.9	7.0	8.6	6.7	4.8	7.7	7.3	6.8
		<u>Excess Reserves</u>			<u>Borrowings</u>					
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>			
1975	May	156	156	156	66	66	66			
	June	155	145	135	70	75	85			
	July	200	175	150	80	135	195			

* Adjusted for changes in reserve requirements.