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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

January 16, 1976

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) Both M_1 and M_2 appear to be growing at rates below the low ends of the two-month ranges of tolerance adopted by the Committee at the last meeting. M_1 contracted at about a 2½ per cent annual rate in December, and data thus far available in early 1976 suggest that January will show little net change. After adjustment for the preliminary new seasonal factors presented at the time of the last meeting, M_1 appears likely to expand at less than a one per cent annual rate over the two-month period. Expansion in time deposits other than money market CD's has, on balance, also been somewhat slower than anticipated, and M_2 is now projected to grow at about a 6 per cent annual rate during the December-January period.

Growth in Monetary Aggregates and RPD's
over December-January Period

<u>Reserve and monetary aggregates (Growth at SAAR in per cent)</u>	<u>Ranges of Tolerance 1/</u>	<u>Latest Estimates - with Preliminary New Seasonals 1/</u>	<u>Old Seasonals</u>
M_1	4 to 7	0.7	-1.6
M_2	7 to 10	5.9	4.9
RPD	4 to 7	n.a.	0.2

Memo:

Federal funds rate
(per cent per annum)

4½ to 5½^{2/}

Avg. for statement
week ending

Dec. 24	5.18
31	5.18
Jan. 7	5.12
14	4.76

- 1/ Seasonal adjustments based on the preliminary estimates of the new seasonal factors that were available at the time of the last meeting.
- 2/ On January 12 a majority of the Committee concurred in the Chairman's recommendation to instruct the Account Manager to hold the weekly average Federal funds rate at approximately 4½ per cent until the next FOMC meeting.

(2) Recent growth rates for both M_1 and M_2 continue to be affected by increases in business savings accounts. Although expansion in these accounts at weekly reporting banks has slowed recently, shifts to such accounts may have reduced the annual rate of growth in M_1 over the December-January period by about $2\frac{1}{2}$ percentage points, or about $1-1\frac{1}{2}$ percentage points more than assumed in the previous blue book. Thus part of the shortfall in M_1 reflects greater-than-anticipated shifts out of demand deposits to savings accounts.

(3) Data received a few days after the last FOMC meeting suggested that the monetary aggregates--particularly M_1 --were growing at a substantially slower pace than anticipated at the time of the meeting. However, since data on the aggregates are typically volatile around year-end and because the Committee had voted to give greater emphasis than usual to money market conditions, the Desk continued to seek reserve conditions consistent with a Federal funds rate centering around $5\frac{1}{2}$ per cent. When subsequent data suggested further weakening in the aggregates, the Desk adopted a more accommodative reserve posture, and the funds rate moved down in stages to $4\frac{3}{4}$ per cent. On January 12, a majority of the Committee concurred in the Chairman's recommendation to instruct the Account Manager to hold the weekly average Federal funds rate at approximately this level until the January meeting. In the statement week just ended the funds rate averaged $4\frac{3}{4}$ per cent.

(4) Inter-meeting changes in prices and yields in securities markets have been substantial. Interest rates on short-term market

instruments have declined 60-100 basis points, with the 3-month bill trading most recently around 4.85 per cent. Yields on bonds declined 20-65 basis points, while stock prices--as measured by the comprehensive New York Stock Exchange index--have advanced $9\frac{1}{2}$ per cent. Short-term rates are currently at their lowest levels since mid-1972, and corporate bond yields have reached their lowest levels since the spring of 1974. The ceiling rate on FHA/VA single-family mortgages was also cut, from 9 to $8\frac{1}{2}$ per cent, on January 5, as yields on mortgages traded in the secondary market continued to decline. However, rates on primary mortgages have, as usual, lagged behind other long-term rates, dropping only about 5 basis points during the inter-meeting period.

(5) The Board's December 24 action reducing reserve requirements on certain time deposits, and the subsequent decline in the funds rate, contributed importantly to the general decline of interest rates. At the same time, year-end private economic forecasts tended to crystalize market judgments on the longer-term economic outlook, encouraging the view that moderate future economic growth and further progress on inflation were likely to permit significant further reductions of the inflation premium in long-term rates.

(6) The table on the following page shows (in percentage annual rates of change) selected monetary and financial flows over various time periods.

	Calendar Year	Calendar Year	Past Six Months	Past Three Months	Past Month
	1974	1975	Dec. '75 over June '75	Dec. '75 over Sept. '75	Dec. '75 over Nov. '75
Total reserves	8.5	-.3	3.0	8.3	14.9
Nonborrowed reserves	10.7	1.4	3.6	11.6	12.4
Reserves available to support private nonbank deposits	8.9	-.9	.3	3.2	6.4
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	4.8	4.2	2.3	2.3	-2.8
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	7.2	8.8	6.6	6.8	3.2
M ₃ (M ₂ plus deposits at thrift institutions)	6.8	11.4	9.3	8.5	5.6
M ₄ (M ₂ plus CD's)	10.6	6.7	5.7	8.4	5.9
M ₅ (M ₃ plus CD's)	9.0	9.8	8.5	9.4	7.2
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	10.2	4.2	3.0	7.4	4.2
Loans and investments of commercial banks <u>2/</u>	9.2	4.2	3.1	2.6	-8.8
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	2.2	-.6	-.1	1.4	1.9
Nonbank commercial paper	.4	-.2	-.3	-.5	-.5

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) Shown below are alternative longer-run growth ranges for the monetary aggregates, together with the ranges adopted by the Committee in October. In keeping with past practice, the time period for the proposed ranges has been shifted forward by one quarter; the alternatives apply to the period from QIV 1975 to QIV 1976, whereas the current ranges relate to the QIII '75-QIII '76 period.^{1/}

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Current</u>
M ₁	6-8½	5-7½	4-6½	5-7½
M ₂	7½-10½	6½-9½	5-8	7½-10½
M ₃	8½-11½	7½-10½	6-9	9-12
Credit proxy	4-7	3½-6½	3-6	6-9

(8) Of the three alternatives, B calls for retaining the current range for M₁, but reducing somewhat the growth ranges for the broader M's. This is because growth in time and savings deposits (other than large CD's) in the course of 1976 is likely to remain around the more moderate pace that developed in the second half of last year. The current longer-run ranges for M₂ and M₃ assume a more rapid pace.

^{1/} Figures for selected subperiods of the QIV '75-QIV '76 period are shown in the detailed tables on pages 5a and 5b. In addition, the table includes the one-year growth rates measured from both of the quarterly bases the Committee has employed in the past--i.e., the second and third quarters of 1975--for each of the aggregates under each of the alternatives.

Alternative Levels and 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	December	296.4	296.4	296.4	667.5	667.5	667.5	1093.9	1093.9	1093.9
1976	January	296.4	296.3	296.2	671.1	671.1	670.9	1101.3	1100.9	1100.4
	February	298.8	298.5	298.2	676.9	676.4	675.4	1111.8	1110.3	1108.3
1975	QIV	295.9	295.9	295.9	663.9	663.9	663.9	1086.8	1086.8	1086.8
1976	QI	298.8	298.5	298.2	676.9	676.3	675.4	1111.8	1110.2	1108.2
	QII	305.7	304.3	302.7	694.2	691.2	687.4	1142.6	1136.0	1129.3
	QIII	312.5	309.8	307.2	710.2	704.5	698.6	1171.0	1159.3	1149.2
	QIV	317.3	314.4	311.4	723.1	716.4	708.7	1194.9	1181.4	1167.6

Growth Rates

Monthly:

1976	January 1/ February 1/	0.0(6.3) 9.7(6.7)	-0.4(5.9) 8.9(5.9)	-0.8(5.5) 8.1(5.1)	6.5(9.7) 10.4(8.9)	6.5(9.7) 9.5(8.0)	6.1(9.3) 8.0(6.5)	8.1 11.4	7.7 10.2	7.1 8.6
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Quarterly Average:

1976	QI	3.9	3.5	3.1	7.8	7.5	6.9	9.2	8.6	7.9
	QII	9.2	7.8	6.0	10.2	8.8	7.1	11.1	9.3	7.6
	QIII	8.9	7.2	5.9	9.2	7.7	6.5	9.9	8.2	7.0
	QIV	6.1	5.9	5.5	7.3	6.8	5.8	8.2	7.6	6.4
	QIV '75-QII '76	6.6	5.7	4.6	9.1	8.2	7.1	10.3	9.1	7.8
	QII '76-QIV '76	7.6	6.6	5.7	8.3	7.3	6.2	9.2	8.0	6.8
	QII '75-QII '76	5.7	5.3	4.7	9.0	8.5	7.9	11.0	10.3	9.7
	QIII '75-QIII '76	6.3	5.3	4.5	8.7	7.8	6.9	10.1	9.0	8.0
	QIV '75-QIV '76	7.2	6.3	5.2	8.9	7.9	6.7	9.9	8.7	7.4

1/ Figures in parentheses represent rates of growth based on the new seasonal factors and are consistent with 2-month growth rates shown in summary table in paragraph (6).

Alternative Levels and 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	December	750.8	750.8	750.8	1177.2	1177.2	1177.2	515.1	515.1	515.1
1976	January	751.3	751.3	751.1	1181.5	1181.1	1180.6	513.8	513.7	513.6
	February	757.5	757.1	756.5	1192.3	1191.0	1189.3	515.7	515.4	515.2
1975	QIV	745.9	745.9	745.9	1168.8	1168.8	1168.8	512.1	512.1	512.1
1976	QI	757.5	757.1	756.5	1192.4	1191.0	1189.3	516.2	515.9	515.7
	QII	775.9	773.8	771.4	1224.3	1218.6	1213.3	526.0	524.8	523.6
	QIII	793.0	788.9	785.1	1253.9	1243.7	1235.6	534.6	532.2	530.3
	QIV	807.3	802.6	797.9	1279.1	1267.6	1256.7	540.7	538.2	536.0
<u>Growth Rates</u>										
<u>Monthly:</u>										
1976	January	0.8	0.8	0.5	4.4	4.0	3.5	-3.0	-3.3	-3.5
	February	9.9	9.3	8.6	11.0	10.1	8.8	4.4	4.0	3.7
<u>Quarterly Averages:</u>										
1976	QI	6.2	6.0	5.7	8.1	7.6	7.0	3.2	3.0	2.8
	QII	9.7	8.8	7.9	10.7	9.3	8.1	7.6	6.9	6.1
	QIII	8.8	7.8	7.1	9.7	8.2	7.4	6.5	5.6	5.1
	QIV	7.2	6.9	6.5	8.0	7.7	6.8	4.6	4.5	4.3
QIV '75-QII '76		8.0	7.5	6.8	9.5	8.5	7.6	5.4	5.0	4.5
QII '76-QIV '76		8.1	7.4	6.9	9.0	8.0	7.2	5.6	5.1	4.7
QII '75-QII '76		7.3	7.0	6.7	9.7	9.2	8.7	4.6	4.3	4.1
QIII '75-QIII '76		8.2	7.6	7.1	9.7	8.8	8.1	5.9	5.4	5.1
QIV '75-QIV '76		8.2	7.6	7.0	9.4	8.5	7.5	5.6	5.1	4.7

(9) Alternative A encompasses higher growth rates for the monetary aggregates over the next year than alternative B, while alternative C presents lower rates. The alternative A rates may be viewed as compensating, in an arithmetic sense, for the shortfall in M_1 growth relative to expectations in the fourth quarter. That is to say, under alternative A the level of M_1 in the third quarter 1976 (using mid-points of the ranges) would be the same as that implied by a $6\frac{1}{2}$ per cent growth rate measured from the third quarter of 1975. To reach that level, M_1 would have to expand at almost a $7\frac{1}{2}$ per cent annual rate over the first three quarters of 1976.

(10) The M_1 level for QIII '76 that is implied by the Committee's current longer-run growth range probably should be adjusted downward, however, on economic grounds to allow for recent shifts of business funds from demand deposits into savings accounts and for expected future growth of such accounts at the expense of demand deposits. The regulatory change permitting businesses to hold savings accounts up to \$150,000 in size became effective in mid-November. By early January such accounts aggregated about \$2 billion, of which the staff estimates that about $\$1\frac{1}{2}$ billion would otherwise have gone into demand deposits. Growth in business savings accounts has been slowing in recent weeks, and the staff expects it to slow further as time goes on; by the third quarter of 1976, additional growth in such accounts substituting for demand deposits might total \$1 billion. In sum then, a $\$2\frac{1}{2}$ billion downward adjustment in the target level of M_1 for the third quarter might be a reasonable allowance for corporate savings accounts. This would imply M_1 growth over the next three quarters at close

to a $6\frac{1}{2}$ per cent annual rate, which is approximately the growth rate for that period under alternative B. For the one year QIII '75-QIII '76 period, the path contained in alternative B involves M_1 growth of 5.3 per cent.

(11) Shorter-run alternative operating ranges corresponding generally to the longer-run alternatives are summarized below (with more detail presented in the tables on pp. 5a and 5b).

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges of tolerance for January-February			
M_1 ^{1/}	$4\frac{1}{2}$ - $8\frac{1}{2}$	4-8	$3\frac{1}{2}$ - $7\frac{1}{2}$
M_2 ^{1/}	$7\frac{1}{2}$ - $11\frac{1}{2}$	7-11	6-10
RPD	- $2\frac{1}{2}$ to - $6\frac{1}{2}$	-3 to -7	- $3\frac{1}{2}$ to - $7\frac{1}{2}$
Federal funds rate (intermeeting range)	$3\frac{1}{2}$ - $4\frac{1}{2}$	$4\frac{1}{2}$ - $5\frac{1}{2}$	5-6

^{1/} The growth rates for M_1 and M_2 are based on the new seasonal factors that will soon be published. ^{2/} These differ somewhat from the preliminary revised factors employed in the previous blue book. Appendix table V compares the new factors for M_1 with the preliminary revised and old factors. The new factors raise the Jan.-Feb. annual growth rate for M_1 by about $1\frac{1}{2}$ percentage points relative to the old factors. Other elements of money supply revision, including benchmark and certain other adjustments, are not yet completed. The new series is expected to be published shortly after the Committee meeting.

(12) Alternative A involves a decline in the Federal funds rate from the $4\frac{1}{2}$ per cent level recently prevailing to the mid-point of a $3\frac{1}{2}$ - $4\frac{1}{2}$ per cent range. Under such circumstances, M_1 would be expected to expand in a $4\frac{1}{2}$ - $8\frac{1}{2}$ per cent annual rate range in the two-month Jan.-Feb. period, and M_2 in a $7\frac{1}{2}$ - $11\frac{1}{2}$ per cent range. The pick-up in M_1 growth relative to recent behavior reflects mainly staff expectations that the projected continuing rise in nominal GNP will be accompanied by resumed expansion in money demand--given the unusual, and probably unsustainable, rise in the velocity of money that has already occurred in the current cyclical expansion.

(13) We would expect a further drop in the Federal funds rate of that magnitude to be accompanied by a decline in the 3-month Treasury bill rate to around the 4-4½ per cent area. Such an easing in the money market would, of course, lead to additional downward adjustments in intermediate- and longer-term interest rates. These rate declines might be limited, however, to the extent that borrowers--particularly corporate borrowers--took advantage of the more favorable market atmosphere to accelerate security offerings. The Treasury will announce terms of its mid-February refunding on January 27. It will refund \$4.3 billion of publicly-held maturing securities and will probably also raise \$1-1½ billion of new cash, with the exact amount depending in part on the market environment.

(14) The lower funds rate assumed under alternative A would be expected to persist until late spring or early summer. The funds rate would then be expected to begin rising, given continued expansion in GNP. The funds rate would be likely to be around 6 per cent by late 1976, assuming money growth over the year is held to around 7½ per cent under this alternative.

(15) A Federal funds rate centered around 4½ per cent is contemplated under alternative B, with M_1 growth in a 4-8 per cent annual rate range in the January-February period. Given such a funds rate, interest rates generally may show little net change over the next few weeks. If anything, short-term interest rates could drift up a little, as expectations by some market participants of a further decline in the funds rate, following the discount rate action announced today, are disappointed.

Longer-term market interest rates may remain around the recent reduced levels, given the more moderate corporate bond calendar and the availability of sizable funds for investment in longer-term markets from insurance companies, savings banks, and pension funds. With business loan demand slack, banks may show increased interest in intermediate-term Treasury offerings to increase earnings, particularly in view of the steep slope of the yield curve. Mortgage rates can be expected to decline somewhat further since savings inflows to thrift institutions are expected to be well maintained and since a more favorable yield spread of primary mortgage rates over corporate bond rates has recently developed.

(16) If the Committee seeks to attain a $6\frac{1}{2}$ per cent growth rate from QIV '75 to QIV '76 for M_1 , the staff would expect interest rates to begin rising by late winter. A more gradual rise is now anticipated than had been predicted earlier, with the funds rate reaching a level of around $6\frac{1}{2}$ per cent by summer. As a result, inflows of time and savings deposits (other than large CD's) are expected to slow as the year progresses, but not so much as to require an upward adjustment in Regulation Q ceiling rates.

(17) Alternative C assumes that the Federal funds rate is adjusted upward over the next few weeks to the middle of a 5-6 per cent range. This approach is most consistent with a reduction in the longer-run growth ranges. If the FOMC were to seek one-year growth in the aggregates as indexed by M_1 expansion of about $5\frac{1}{2}$ per cent from QIV '75 to QIV '76, the staff believes that the funds rate would have to rise further to around $7\frac{1}{2}$ per cent by summer.

(18) Any significant near-term rise in the funds rate would certainly be unexpected by the market. Thus, a sharp upward re-adjustment of interest rates could be anticipated with the 3-month bill rate possibly rising as high as 6 per cent between now and the next meeting. This would again make thrift institutions uncertain about the strength of future savings flows and might, therefore, bring the recent decline in mortgage rates to a halt. In bond markets, yields would back up, and the rise might be especially large in the Treasury market in view of the size of dealer positions and the imminent refunding.

Proposed directive

(19) Presented below are four alternative formulations for the operational paragraph of the directive. The first three are couched in terms of desired growth in monetary aggregates over the months ahead and are intended to correspond to the similarly lettered policy alternatives discussed in the preceding section. The fourth alternative is proposed in the event that the Committee wishes to continue to formulate its instructions in terms of money market conditions and wishes to maintain the conditions now prevailing. No special reference to the Treasury's quarterly financing to be announced on January 27 is proposed because Treasury financings have been, and for some time will continue to be, frequent.

Alternative "Monetary Aggregate" Proposals

Alternative A

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ~~maintain-prevailing~~ ACHIEVE bank reserve and money market conditions CONSISTENT WITH SUBSTANTIAL GROWTH IN MONETARY AGGREGATES over the ~~period-immediately~~ MONTHS ahead; ~~-provided-that-monetary~~ aggregates ~~-appear-to-be-growing-at-about-the-rates-currently-expected.~~

Alternative B

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ~~maintain-prevailing~~ ACHIEVE bank reserve and money market conditions CONSISTENT WITH MODERATE GROWTH IN MONETARY AGGREGATES over the ~~period-immediately~~ MONTHS ahead; ~~-provided-that-monetary~~ aggregates ~~-appear-to-be-growing-at-about-the-rate-currently-expected.~~

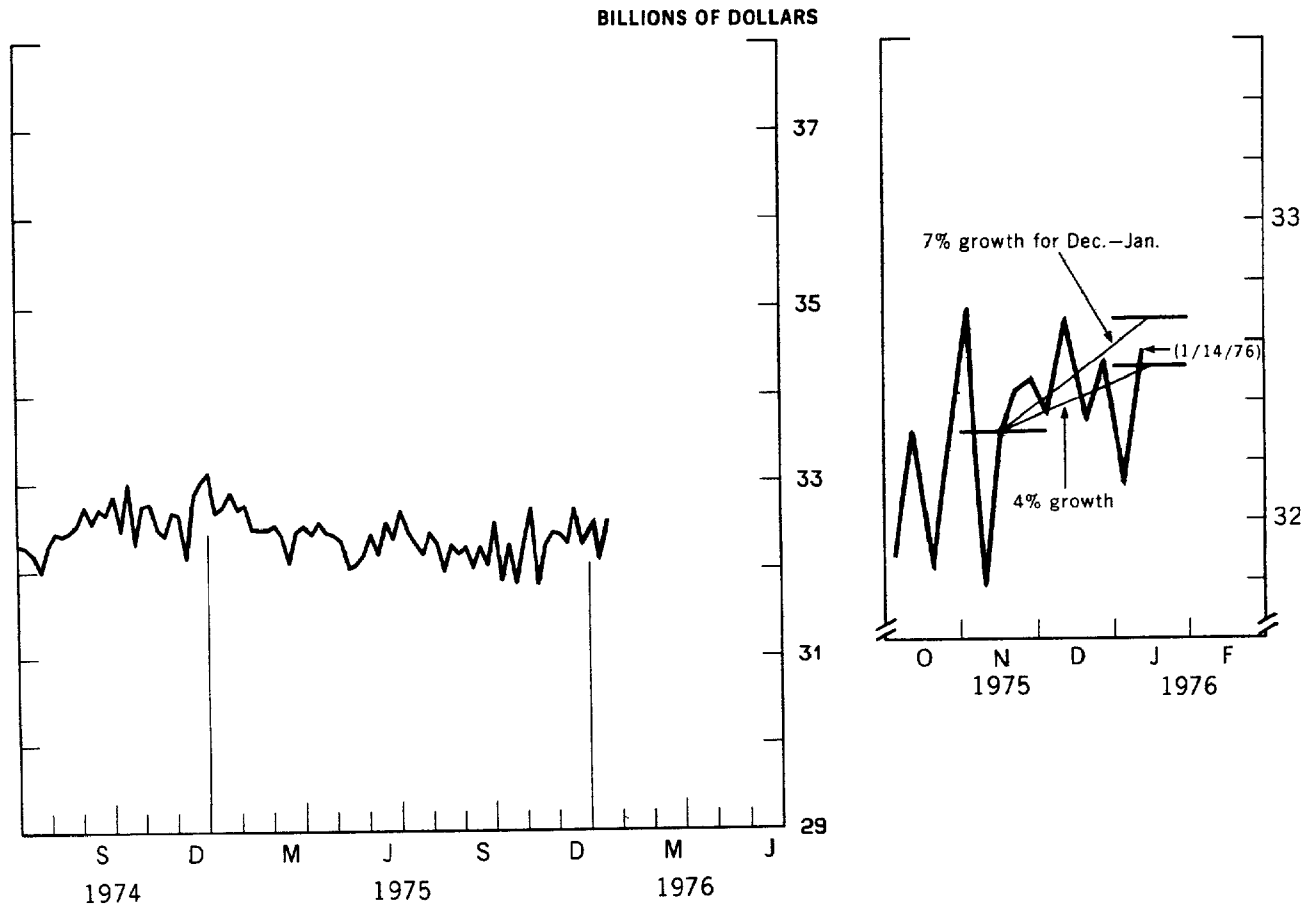
Alternative C

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to maintain-prevailing ACHIEVE bank reserve and money market conditions CONSISTENT WITH MODEST GROWTH IN MONETARY AGGREGATES over the period-immediately MONTHS ahead;-provided-that-monetary aggregates-appear-to-be-growing-at-about-the-rates-currently-expected.

"Money Market" Proposal

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to maintain prevailing bank reserve and money market conditions over the period immediately ahead, provided that monetary aggregates appear to be growing at about.the rates currently expected.

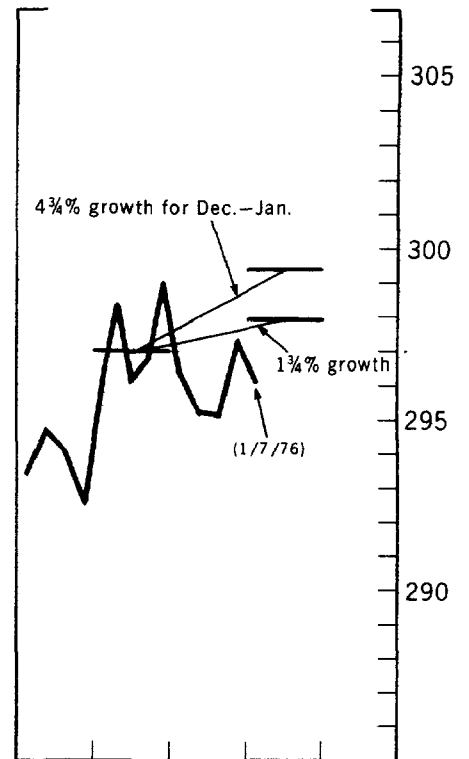
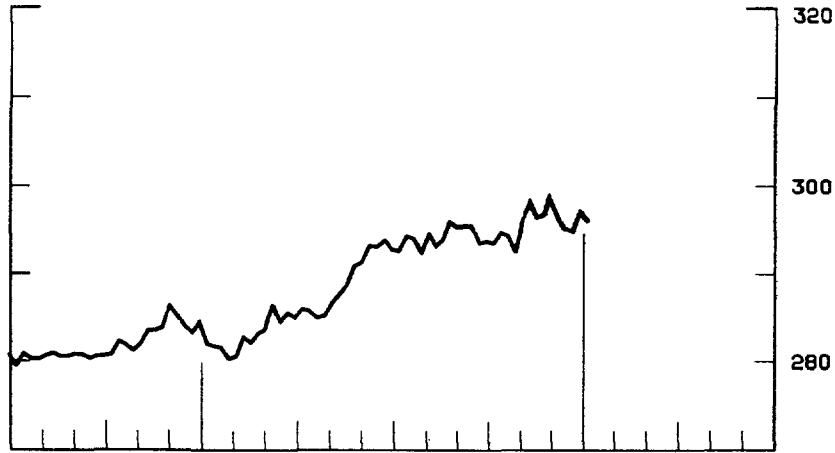
RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS



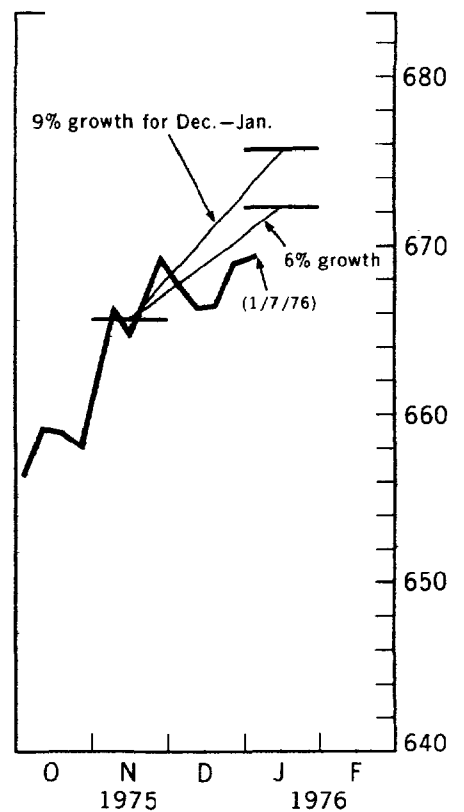
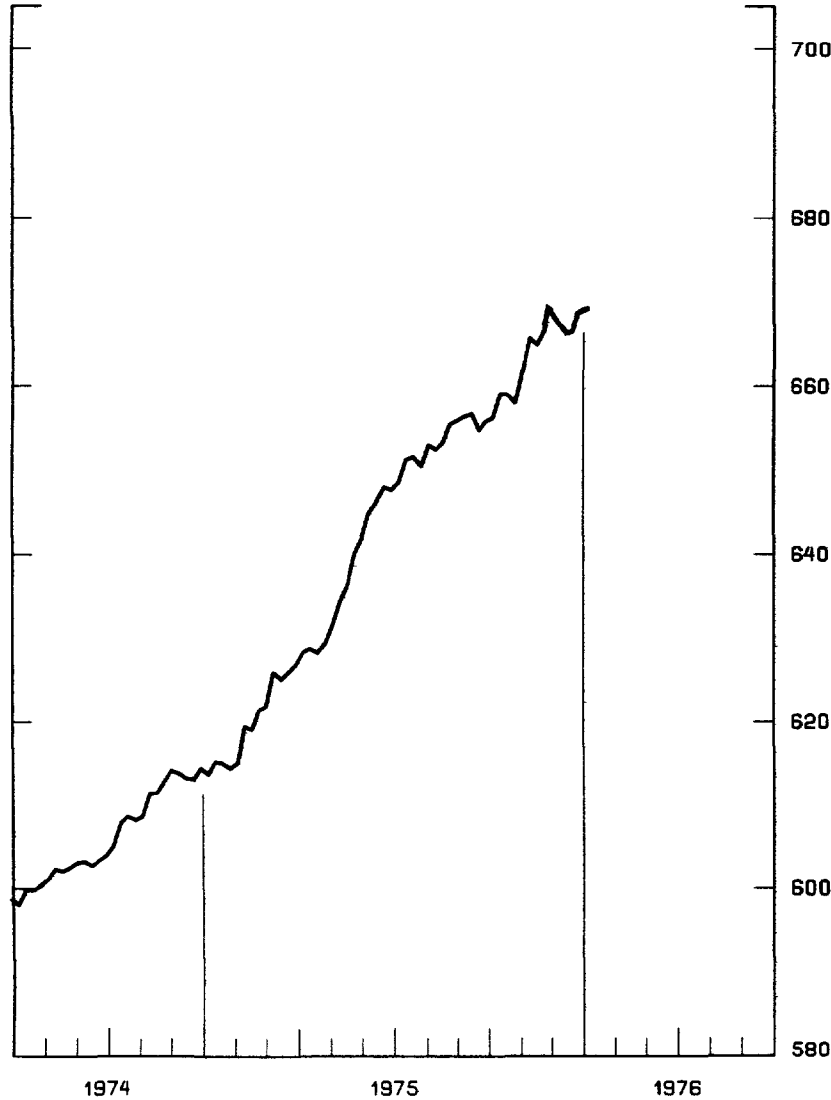
RPD series has been adjusted to remove discontinuities associated with changes in reserve requirement ratios.

MONETARY AGGREGATES

NARROW MONEY SUPPLY M1

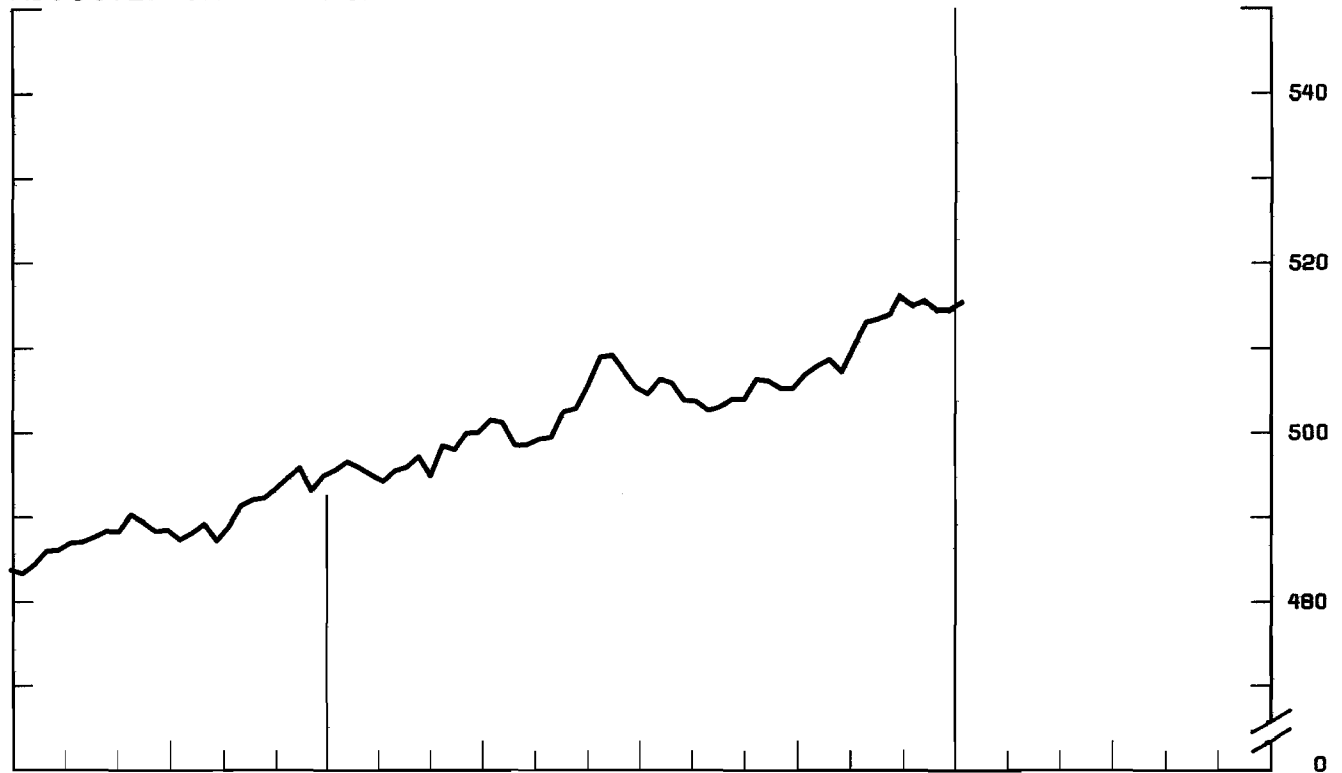


BROADER MONEY SUPPLY M2

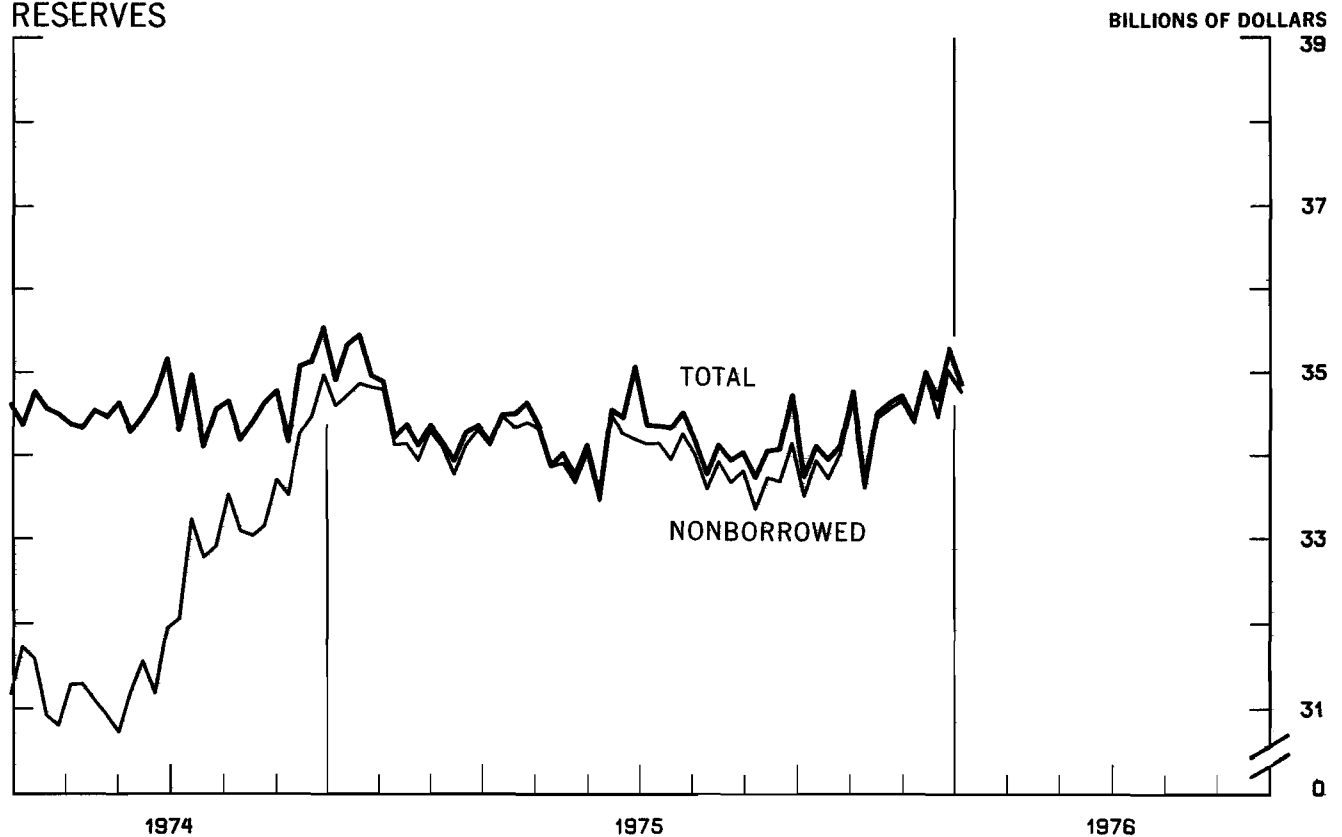


MONETARY AGGREGATES

ADJUSTED CREDIT PROXY

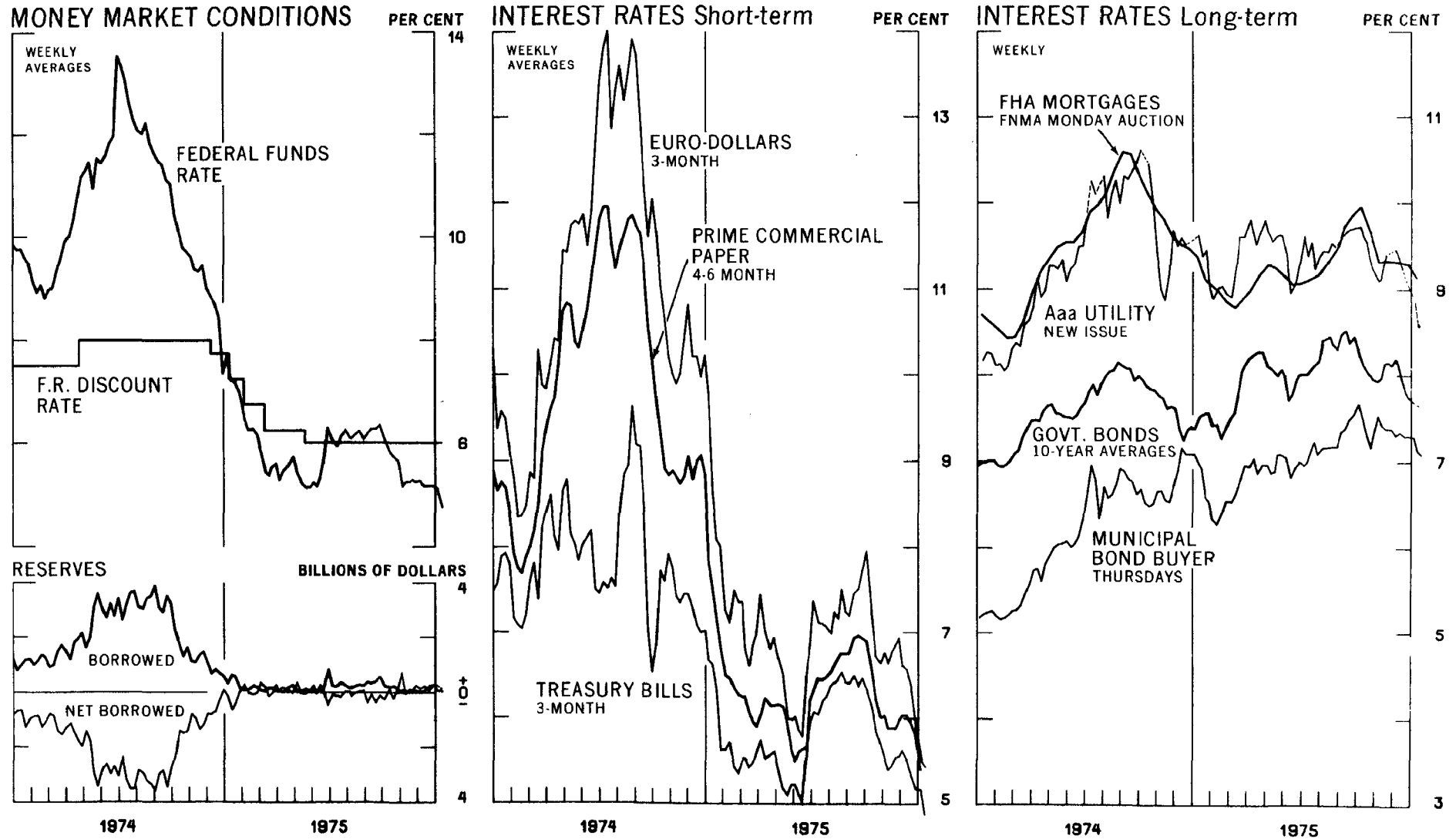


RESERVES



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

MONEY MARKET CONDITIONS AND INTEREST RATES



CONFIDENTIAL (F.R.)
CLASS II-FOMC

TABLE 1
BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

JAN. 16, 1976

Period	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES			
			Total Reserves	Nonborrowed Reserves	SEASONALLY ADJUSTED			
	SA	NSA			Total Required	Private Demand	Total Time Deposits	Gov't. and Interbank
	1	2	3	4	5	6	7	8
MONTHLY LEVELS-\$MILLIONS								
1975--OCT.	32,137	32,048	34,055	33,865	33,848	19,737	N	N
NOV.	32,302	32,322	34,403	34,342	34,119	19,871	O	O
DEC.	32,474	32,693	34,829	34,698	34,539	19,922	T	T
1976--JAN.	(32,315)	(33,277)	(35,069)	(35,010)	(34,851)	(19,702)		
PERCENT ANNUAL GROWTH								
QUARTERLY								
1975--2ND QTR.	0.5		1.2	-0.2	1.2	11.7	A	A
3RD QTR.	-2.6		-2.2	-4.2	-2.1	1.4	V	V
4TH QTR.	3.2		8.3	11.6	7.2	-1.2	A	A
QUARTERLY-AV								
1975--2ND QTR.	-2.5		-3.7	-2.8	-3.7	8.0	I	I
3RD QTR.	-1.1		-0.8	-2.8	-1.1	5.7	L	L
4TH QTR.	0.5		2.9	5.0	2.1	-2.1	A	A
MONTHLY								
1975--OCT.	-2.9		-2.2	5.1	-2.8	-14.7	B	B
NOV.	6.2		12.3	16.9	9.6	8.1	L	L
DEC.	6.4		14.9	12.4	14.8	3.1	E	E
1976--JAN.	(-5.9)		(8.3)	(10.8)	(10.8)	(-13.3)		
DEC.-JAN.	(0.2)		(11.6)	(11.7)	(12.9)	(-5.1)		
WEEKLY LEVELS-\$MILLIONS								
1975--DEC. 3	32,470	32,590	34,718	34,651	34,389	19,972		
10	32,359	32,225	34,423	34,393	34,257	19,976		
17	32,671	32,819	35,001	34,956	34,754	20,179		
24	32,339	32,612	34,678	34,458	34,418	19,758		
31	32,530	33,162	35,260	35,003	34,790	19,755		
1976--JAN. 7	32,122	32,838	34,833	34,762	34,534	19,535		
14	32,573	33,624	35,117	35,074	34,936	19,798		

NOTE: RESERVE SERIES HAVE BEEN ADJUSTED TO REMOVE DISCONTINUITIES ASSOCIATED WITH CHANGES IN RESERVE REQUIREMENT RATIO.
DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF DEC. 16, 1975 THE COMMITTEE AGREED ON A RPD
RANGE OF 4.0 TO 7.0 PERCENT FOR THE DEC.-JAN. PERIOD.

Table 2

MONETARY AGGREGATES

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

CONFIDENTIAL (F..
CLASS II-FOMC
JAN. 16, 1976

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--OCT.	294.1	658.6	507.9	2.9	445.8	364.6	81.3	7.9
NOV.	297.1	665.7	513.3	3.6	450.0	368.6	81.4	8.2
DEC.	296.4	667.5	515.1	3.1	454.5	371.2	83.3	8.4
1976--JAN.	(296.3)	(671.1)	(513.7)	(2.5)	(454.9)	(374.8)	(80.2)	(7.9)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1975--2ND QTR.	11.2	13.4	7.5		6.7	15.3	-25.4	
3RD QTR.	2.3	6.3	-1.3		3.3	9.7	-23.8	
4TH QTR.	2.3	6.8	7.4		12.5	10.5	21.2	
QUARTERLY-AV.								
1975--2ND QTR.	8.6	11.2	5.2		5.2	13.3	-24.0	
3RD QTR.	6.9	10.4	1.4		4.9	13.2	-29.3	
4TH QTR.	2.4	6.4	5.9		10.0	9.7	11.5	
MONTHLY								
1975--OCT.	-2.4	4.2	5.0		13.9	9.6	33.4	
NOV.	12.2	12.9	12.8		11.3	13.2	1.5	
DEC.	-2.8	3.2	4.2		12.0	8.5	28.0	
1976--JAN.	(-0.4)	(6.5)	(-3.3)		(1.1)	(11.6)	(-44.7)	
DEC.--JAN.	(-1.6)	(4.9)	(0.5)		(6.5)	(10.1)	(-8.8)	
	[0.7]	[5.9]						
WEEKLY LEVELS--\$BILLIONS								
1975--NOV. 19	296.2	664.8	513.5	3.9	449.9	368.6	81.2	8.6
26	296.7	666.8	514.1	3.3	451.6	370.1	81.5	8.5
DEC. 3	299.0	669.1	516.1	3.4	452.5	370.1	82.4	8.0
10	296.4	667.6	514.9	3.2	454.4	371.2	83.2	7.8
17	295.3	666.2	515.7	4.7	454.2	370.9	83.3	8.0
24	295.1	666.4	514.4	2.9	454.8	371.3	83.4	9.2
31	297.3	668.9	514.5	2.0	455.1	371.6	83.5	8.5
1976--JAN. 7 P	296.1	669.3	515.4	2.3	455.4	373.2	82.2	8.3

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY

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

Period	Open Market Operations 1/					Daily Average Reserve Effects 2/			In Reserve Categories		Δ Target
	Bills & Accept.	Coupon Issues	Agency Issues	RP's Net 3/	Total	Open Market Operations	Δ Member Bank Borrowing	Other 4/ Factors	Req. res. against U.S.G. and interb.	available res. 5/ (6)+(7)+(8)-(9)	available reserves 5/ (11)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1975--June	-413	958	-6	-1,855	-1,317	-3,165	211	3,438	-96	580	215
July	-2,302	--	-2	-623	-2,926	-832	-10	553	167	-456	-325
Aug.	-371	274	313	1,007	1,222	-1,332	-50	1,210	-124	-48	-45
Sept.	1,932	822	393	2,008	5,155	2,458	186	-2,432	98	114	10
Oct.	147	--	284	15	445	1,276	-205	-1,150	15	-94p	265
Nov.	-608	709	-1	-2,637	-2,537	521	-129	-312	0	80	280
Dec.	1,799	297	--	1,219	3,315	1,165	67p	-777p	56p	399p	355
Jan. Feb.											960
1975--Nov. 5	-85	--	-1	-7,526	-7,612	407	-28	-208	207	-36	
12	-910	--	--	6,114	5,204	-4,580	-27	3,475	-133	-999	
19	23	355	--	670	1,048	2,243	19	-1,275	221	766	
26	689	354	--	3,216	4,259	2,995	15	-3,067	-5	-52	
Dec. 3	-202	--	--	-5,793	-5,994	-1,064	-7	1,204	-57	190	
10	-204	--	--	-1,482	-1,686	-2,536	-37	2,186	-64	-323	
17	613	--	--	515	1,128	1,050	15	-363	116	586p	
24	1,195	297	--	3,328	4,820	3,643	175	-4,103p	-77p	-208p	
31	193	--	--	-373	-179	454	37	310p	250p	551p	
1976--Jan. 7	-404	--	--	-2,022	-2,426	-257	-186	316p	87p	-214p	
14	-1,386	--	--	803	-583	-3,515	-27	3,819p	-194p	471p	

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 preceeding 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 December and January reflects the target adopted at the December 16, 1975 FOMC meeting. Target change for previous months reflects the bluebook patterns that are consistent with target ranges that were adopted during the month.

P - Preliminary.

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

Period	Treasury Bills Net Change 2/	Treasury Coupons					Federal Agencies					Net Change Outright Holdings Total 5/	RP's Net 6/
		Net Purchases 3/					Net Purchases 4/						
		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
1975	-468	337	3,284	1,510	1,070	6,202	191	824	460	138	1,613	7,267	1,272
1974--Qtr. IV	-43	102	215	131	45	492	138	371	130	53	691	1,402	-238
1975--Qtr. I	-2,093	33	1,054	625	312	2,024	69	169	285	61	584	508	53
Qtr. II	1,086	218	1,135	454	273	2,079	--	--	-2	--	-2	3,076	230
Qtr. III	-757	13	712	201	171	1,096	64	514	106	63	747	1,060	2,392
Qtr. IV	1,294	74	385	234	315	1,006	58	141	71	14	284	2,626	-1,403
1975--July	-2,305	--	--	--	--	--	--	--	--	--	--	-2,304	-623
Aug.	-369	13	150	64	47	274	41	229	49	34	353	216	1,007
Sept.	1,917	--	562	137	124	822	23	285	57	29	394	3,148	2,008
Oct.	97	--	--	--	--	--	58	141	71	14	284	430	15
Nov.	-588	43	267	156	244	709	--	--	--	--	--	99	-2,637
Dec.	1,784	31	118	78	71	297	--	--	--	--	--	2,096	1,219
1975--Nov. 5	-93	--	--	--	--	--	--	--	--	--	--	-85	-7,526
12	-882	--	--	--	--	--	--	--	--	--	--	910	6,114
19	19	32	136	74	114	355	--	--	--	--	--	378	670
26	683	11	131	82	130	354	--	--	--	--	--	1,043	3,216
Dec. 3	-200	--	--	--	--	--	--	--	--	--	--	-202	-5,793
10	-200	--	--	--	--	--	--	--	--	--	--	-204	-1,482
17	612	--	--	--	--	--	--	--	--	--	--	613	515
24	1,175	31	118	78	71	297	--	--	--	--	--	1,492	3,328
31	197	--	--	--	--	--	--	--	--	--	--	193	-373
1976--Jan. 7	-404	--	--	--	--	--	--	--	--	--	--	-404	-2,022
14	-1,380	--	--	--	--	--	--	--	--	--	--	-1,386	803
21													
28													

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 in market and with foreign accounts and short-term notes acquired in exchange for maturing bills. Excludes maturity shifts, rollovers of maturing coupon issues, and direct Treasury borrowings from the System.

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

5/ 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.

6/ 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		Member Bank Reserve Positions				
	Bills	Coupon Issues	Corporate Bonds	Municipal Bonds	Excess** Reserves	Borrowing at FRB**		Basic Reserve Deficit	
						Total	Seasonal	8 New York	38 Others
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1974--High	3,678	2,203	253	384	577	3,906	176	-7,870	-12,826
Low	-289	-309	0	27	-168	647	13	-2,447	- 6,046
1975--High	7,029	2,845	464	389	864	871	74	-7,387	-11,632
Low	1,586	253	0	48	-50	18	5	-1,757	- 7,207
1974--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	155	66	9	-3,965	- 9,567
June	5,201	1,351	89	118	201	227	11	-5,821	- 9,344
July	4,231	1,246	60	135	188	259	17	-5,546	- 9,896
Aug.	4,020	1,204	44	181	195	211	37	-3,964	- 9,966
Sept.	5,008	588	31	122	191	397	58	-3,551	- 9,015
Oct.	5,766	1,480	14	123	161	189	65	-2,644	- 9,202
Nov.	4,571	2,073	156	173	259p	60p	29p	-3,812	-10,159
Dec.	*4,822	*1,075	95	103	289p	131p	14p	-2,981p	-10,508p
1975--Nov. 5	4,928	2,751	48	194	804	67	43	-2,497	- 8,868
12	4,050	2,585	172	122	-37	39	27	-5,045	-11,632
19	4,765	2,022	268	214	174	58	26	-3,746	-10,635
26	4,616	1,534	135	163	184	73	26	-3,340	- 9,626
Dec. 3	4,748	1,281	105	110	313	66	22	-3,409	- 9,611
10	4,620	875	84	121	166	30	15	-3,948	-11,600
17	5,835	710	0	123	247p	45p	14p	-3,179	-11,011
24	*4,546	*1,256	0	97	260p	220p	12p	-2,039	-10,179
31	*4,296	*1,437	0	63	470p	257p	12p	-2,034	- 9,020
1976--Jan. 7	*4,607	*1,144	0	34	299p	71p	10p	-3,232p	- 8,686p
14	*6,173	*1,208	5p	120p	181p	44p	9p	-5,612p	-10,764p
21									
28									

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 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 Reserve 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.

*STRICTLY CONFIDENTIAL

** 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		Municipal Bond Buyer	U.S. Government (20-yr. Constant Maturity)	FNMA Auction Yield	GNMA Guaranteed Securities
		90-Day	1-year		60-89 Day	90-119 Day	New Issue	Recently Offered				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1974--High	13.55	9.63	9.54	12.25	12.25	12.00	10.61	10.52	7.15	8.68	10.59	9.98
Low	8.45	6.53	6.39	7.88	8.00	7.88	8.05	8.14	5.16	7.40	8.43	7.79
1975--High	7.70	6.68	7.31	8.43	7.88	7.75	9.80	9.71	7.67	8.63	9.95	9.10
Low	5.13	5.02	5.46	5.38	5.25	5.38	8.89	9.06	6.27	7.63	8.78	7.93
1974--Dec.	8.53	7.15	6.79	9.18	9.00	8.84	9.53	9.56	7.05	7.91	9.53	8.62
1975--Jan.	7.13	6.26	6.27	7.39	7.43	7.45	9.36	9.45	6.82	7.88	9.25	8.48
Feb.	6.24	5.50	5.56	6.36	6.00	6.25	8.97	9.09	6.39	7.71	8.93	8.03
Mar.	5.54	5.49	5.70	6.06	5.88	6.03	9.35	9.38	6.74	7.99	8.82	8.09
Apr.	5.49	5.61	6.40	6.11	5.85	6.03	9.67	9.66	6.94	8.36	9.06	8.48
May	5.22	5.23	5.91	5.70	5.44	5.63	9.63	9.65	6.97	8.22	9.27	8.51
June	5.55	5.34	5.86	5.67	5.34	5.51	9.20	9.33	6.94	8.04	9.09	8.34
July	6.10	6.13	6.64	6.32	6.05	6.25	9.42	9.43	7.06	8.17	9.14	8.50
Aug.	6.14	6.44	7.16	6.59	6.31	6.63	9.45	9.49	7.17	8.50	9.41	8.75
Sept.	6.24	6.42	7.20	6.79	6.44	6.81	9.68	9.57	7.44	8.57	9.78	8.97
Oct.	5.82	5.96	6.48	6.35	6.08	6.45	9.45	9.43	7.39	8.35	9.80	8.87
Nov.	5.22	5.48	6.07	5.78	5.69	6.03	9.20	9.26	7.43	8.28	9.80	8.50
Dec.	5.20	5.44	6.16	5.88	5.65	5.83	9.36	9.23	7.31	8.23	9.31	8.56
1975--Nov. 5	5.17	5.52	5.87	5.88	5.88	6.13	9.10	9.24	7.52	8.19	9.32	8.40
12	5.24	5.39	5.86	5.81	5.63	6.00	9.11	9.24	7.43	8.22	--	8.40
19	5.24	5.44	6.10	5.75	5.50	6.00	9.40	9.30	7.39	8.34	9.33	8.52
26	5.28	5.54	6.23	5.75	5.75	6.00	--	9.25	7.39	8.35	--	8.66
Dec. 3	5.25	5.56	6.24	5.81	5.75	6.13	9.46	9.34	7.31	8.34	9.32	8.57
10	5.26	5.62	6.44	5.93	6.00	6.00	9.37	9.25	7.34	8.37	--	8.61
17	5.17	5.52	6.30	5.98	5.75	5.88	9.24	9.19	7.30	8.20	9.31	8.63
24	5.18	5.33	6.02	5.90	5.50	5.63	--	9.13	7.30	8.08	--	8.59
31	5.18	5.18	5.76	5.72	5.25	5.50	--	9.10	7.29	8.04	9.29	8.40
1976--Jan. 7	5.12	5.17	5.69	5.44	5.13	5.25	8.88	8.94	7.13	7.99	--	8.45
14	4.76	4.88	5.42	5.15	4.88	5.00	8.58p	8.66p	7.09	7.95p	9.13	8.34
21												
28												
Daily--Jan. 9	4.73	5.00	5.57	5.25	--	--	--	--	--	7.95	--	--
15	4.80p	4.84	5.44	5.13	--	--	--	--	--	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 date 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. Column 12 is a one-day quote 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. GNMA yields are average net yields to investors on mortgage-backed securities for immediate delivery, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. c--Corrected

MONEY AND CREDIT AGGREGATE MEASURES

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
ANNUALLY:	1	2	3	4	5	6	7	8	9	10	11	12
	(Per cent annual rates of growth)											
1973	7.9	7.3	9.1	10.4	13.5	6.1	8.8	8.8	11.6	10.6	11.2	11.9
1974	8.5	10.7	8.9	10.2	9.2	4.8	7.2	6.8	10.6	9.0	9.1	8.9
1975	-0.3	1.4	-0.9	4.2	4.2	4.2	8.8	11.4	6.7	9.8	9.2	8.7
SEMI-ANNUALLY:												
2ND HALF 1974	5.9	21.2	5.0	5.4	3.1	3.1	5.5	5.4	7.5	6.7	6.9	6.5
1ST HALF 1975	-3.6	-0.7	-2.1	5.3	5.1	6.0	10.6	13.0	7.5	10.7	10.1	9.9
2ND HALF 1975	3.0	3.6	0.3	3.0	3.1	2.3	6.6	9.3	5.7	8.5	8.0	7.2
QUARTERLY:												
1ST QTR. 1975	-8.4	-1.3	-4.7	3.1	5.7	0.8	7.6	9.9	6.3	8.8	7.9	7.6
2ND QTR. 1975	1.2	-0.2	0.5	7.5	4.6	11.2	13.4	15.7	8.6	12.3	12.0	11.9
3RD QTR. 1975	-2.2	-4.2	-2.6	-1.3	3.6	2.3	6.3	9.9	2.9	7.4	7.0	6.2
4TH QTR. 1975	8.3	11.6	3.2	7.4	2.6	2.3	6.8	8.5	8.4	9.4	8.7	8.1
QUARTERLY-AV:												
1ST QTR. 1975	-0.9	11.6	-1.3	4.1	1.0	-0.3	5.8	7.8	7.4	8.8	8.0	7.0
2ND QTR. 1975	-3.7	-2.8	-2.5	5.2	5.1	8.6	11.2	13.8	6.6	10.6	9.9	9.9
3RD QTR. 1975	-0.8	-2.8	-1.1	1.4	4.1	6.9	10.4	13.2	5.6	9.9	9.6	9.0
4TH QTR. 1975	2.9	5.0	0.5	5.9	4.5	2.4	6.4	8.7	6.9	8.9	8.2	7.4
MONTHLY:												
1974--DEC.	15.4	34.9	6.6	7.6	-9.4	3.4	3.7	5.9	11.4	10.8	9.4	7.3
1975--JAN.	7.8	19.5	0.0	3.6	4.7	-11.8	2.5	5.6	6.7	7.9	8.2	7.5
FEB.	-27.3	-19.0	-8.6	-0.2	4.3	3.4	8.4	9.9	6.1	8.2	7.0	6.9
MAR.	-5.6	-4.1	-5.5	5.8	7.9	11.0	11.6	13.9	6.1	10.2	8.2	8.5
APR.	8.2	8.1	2.9	5.1	3.4	3.4	7.3	11.7	4.2	9.2	9.6	9.5
MAY	-14.7	-13.2	-10.3	2.4	5.1	11.3	13.4	14.9	7.0	10.7	10.0	9.8
JUNE	10.3	4.6	9.1	15.1	5.1	18.7	19.2	19.8	14.3	16.7	16.3	15.9
JULY	4.1	1.5	-2.1	-5.2	2.0	2.0	8.2	12.2	4.1	9.1	9.2	8.8
AUG.	-14.5	-11.5	-6.2	-5.5	6.8	2.9	5.9	9.4	-1.5	4.4	3.7	2.9
SEPT.	3.9	-2.6	0.6	6.7	2.0	2.0	4.8	7.8	6.1	8.4	8.1	6.9
OCT.	-2.2	5.1	-2.9	5.0	6.0	-2.4	4.2	7.4	7.3	9.1	8.2	7.4
NOV.	12.3	16.9	6.2	12.8	10.5	12.2	12.9	12.4	11.7	11.7	10.9	10.2
DEC. P	14.9	12.4	6.4	4.2	-8.8	-2.8	3.2	5.6	5.9	7.2	6.9	6.4

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 INSTITUTIONS.

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

P - PRELIMINARY

MONEY AND CREDIT AGGREGATE MEASURES

JAN. 16, 1976

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

1973	32,191	30,892	30,077	448.7	634.6	271.5	572.2	919.6	636.0	983.4	1095.4	1133.6
1974	34,933	34,205	32,762	494.3	691.9	284.4	613.5	981.7	703.7	1072.0	1195.1	1234.7
1975	34,829	34,698	32,474	515.1	720.7	296.4	667.5	1093.9	750.8	1177.2	1305.3	1342.3
MONTHLY:												

1974--DEC.	34,933	34,205	32,762	494.3	691.9	284.4	613.5	981.7	703.7	1072.0	1195.1	1234.7
1975--JAN.	35,160	34,762	32,761	495.8	694.6	281.6	614.8	986.3	707.6	1079.1	1203.3	1242.4
FEB.	34,361	34,213	32,527	495.7	697.1	282.4	619.1	994.4	711.2	1086.5	1210.3	1249.5
MAR.	34,201	34,096	32,378	498.1	701.7	285.0	625.1	1005.9	714.8	1095.7	1218.6	1258.3
APR.	34,436	34,225	32,457	500.2	703.7	285.8	628.9	1015.7	717.3	1104.1	1228.3	1268.3
MAY	34,014	33,548	32,178	501.2	706.7	288.5	635.9	1028.3	721.5	1113.9	1238.5	1278.7
JUNE	34,306	34,079	32,422	507.5	709.7	293.0	646.1	1045.3	730.1	1129.4	1255.3	1295.6
JULY	34,423	34,122	32,365	505.3	710.9	293.5	650.5	1055.9	732.6	1138.0	1264.9	1305.1
AUG.	34,006	33,794	32,199	503.0	714.9	294.2	653.7	1064.2	731.7	1142.2	1268.8	1308.3
SEPT.	34,117	33,721	32,215	505.8	716.1	294.7	656.3	1071.1	735.4	1150.2	1277.4	1315.8
OCT.	34,055	33,865	32,137	507.9	719.7	294.1	658.6	1077.7	739.9	1158.9	1286.1	1323.9
NOV.	34,403	34,242	32,302	513.3	726.0	297.1	665.7	1088.8	747.1	1170.2	1297.8	1335.2
DEC. P	34,829	34,658	32,474	515.1	720.7	296.4	667.5	1093.9	750.8	1177.2	1305.3	1342.3
WEEKLY:												

1975--NOV. 12	33,641	33,601	31,787	513.2		298.3	666.1		747.1			
19	34,502	34,443	32,298	513.5		296.2	664.8		746.0			
26	34,625	34,551	32,436	514.1		296.7	666.8		748.3			
DEC. 3	34,718	34,651	32,470	516.1		299.0	669.1		751.6			
10P	34,423	34,393	32,359	514.9		296.4	667.6		750.8			
17P	35,001	34,956	32,671	515.7		295.3	666.2		749.5			
24P	34,678	34,458	32,339	514.4		295.1	666.4		749.9			
31P	35,260	35,003	32,530	514.5		297.3	668.9		752.5			
1976--JAN. 7P	34,833	34,762	32,122	515.4		296.1	669.3		751.5			

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 2-A
COMPONENTS OF MONEY STOCK AND RELATED MEASURES

JAN. 16, 1976

Period	Currency	Demand Deposits	Total Time 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:											
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	15.0	9.4	5.6	11.8	41.5	4.8	15.7	3.4	
1975	8.7	2.8	8.4	12.8	15.3	21.1	-7.8	6.5	1.3	-6.3	
SEMI-ANNUALLY:											
2ND HALF 1974	10.2	1.0	10.5	7.6	5.1	9.9	22.1	5.2	11.2	-5.4	
1ST HALF 1975	9.4	5.0	8.5	14.6	16.3	22.5	-13.7	6.1	3.0	3.5	
2ND HALF 1975	7.6	0.6	8.0	10.3	13.3	17.6	-1.9	6.8	-0.3	-15.9	
QUARTERLY:											
1ST QTR. 1975	8.8	-1.7	10.1	13.4	13.1	20.4	-2.2	6.4	-7.3	1.0	
2ND QTR. 1975	9.8	11.7	6.7	15.3	18.9	23.5	-25.4	5.6	13.5	6.0	
3RD QTR. 1975	5.1	1.4	3.3	9.7	15.5	17.0	-23.8	6.8	1.3	-18.9	
4TH QTR. 1975	10.0	-0.2	12.5	10.5	10.7	17.6	21.2	6.7	-2.0	-13.5	
QUARTERLY-AV:											
1ST QTR. 1975	8.9	-3.3	12.7	11.0	10.8	17.6	19.2	5.8	-3.3	-20.2	
2ND QTR. 1975	8.7	8.6	5.2	13.3	17.6	22.5	-24.0	5.7	2.0	8.1	
3RD QTR. 1975	8.5	6.6	4.9	13.2	17.6	20.0	-29.3	6.2	6.6	-9.0	
4TH QTR. 1975	7.8	0.4	10.0	9.7	11.8	16.5	11.5	6.7	-2.6	-19.3	
MONTHLY:											
1974--DEC.	8.9	1.7	16.6	4.0	9.2	13.2	67.4	3.8	-9.9	-52.2	
1975--JAN.	5.3	-17.2	19.2	14.9	9.9	17.5	31.9	7.6	15.9	-15.2	
FEB.	8.8	1.7	7.9	12.6	11.5	17.2	-7.8	5.7	-15.7	6.1	
MAR.	12.2	10.7	3.1	12.1	17.6	25.4	-30.0	5.7	-21.9	12.2	
APR.	1.7	3.9	4.5	10.6	18.4	20.8	-18.7	5.6	20.3	9.1	
MAY	12.1	11.1	3.9	15.0	17.1	20.4	-39.4	5.6	0.0	6.0	
JUNE	15.4	19.8	11.6	19.7	20.2	28.1	-19.6	5.6	19.9	3.0	
JULY	5.1	1.1	5.5	13.3	18.9	15.7	-28.5	7.4	11.8	-3.0	
AUG.	8.4	1.1	-4.6	8.1	14.7	19.4	-59.9	5.5	-11.7	-23.9	
SEPT.	1.7	2.2	9.1	7.7	12.3	15.2	16.9	7.3	3.9	-30.5	
OCT.	8.3	-6.5	13.9	9.6	11.6	18.8	33.4	7.3	-7.8	-18.8	
NOV.	14.9	11.9	11.3	13.2	11.2	14.8	1.5	5.4	2.0	-12.7	
DEC. P	6.5	-5.9	12.0	8.5	8.9	18.3	28.0	7.2	0.0	-9.6	

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/ 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.

JAN. 16, 1976

APPENDIX TABLE 2-B

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time 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 ^{1/}	Commercial Paper ^{1/}	Non-deposit Funds	U S Gov't Demand
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:												
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
1974	67.9	216.5	419.3	329.1	340.8	27.5	90.3	62.8	60.3	39.6	8.4	1.9
1975	73.8	222.6	454.5	371.2	393.1	33.3	83.3	66.9	61.1	37.1	8.4	3.1
MONTHLY:												
1974--NOV.	67.4	216.2	413.5	328.0	338.2	27.2	85.5	62.6	60.8	41.4	7.6	4.6
DEC.	67.9	216.5	419.3	329.1	340.8	27.5	90.3	62.8	60.3	39.6	8.4	1.9
1975--JAN.	68.2	213.4	426.0	333.2	343.6	27.9	92.7	63.2	61.1	39.1	7.6	0.7
FEB.	68.7	213.7	428.8	336.7	346.9	28.3	92.1	63.5	60.3	39.3	6.5	0.6
MAR.	69.4	215.6	429.9	340.1	352.0	28.9	89.8	63.8	59.2	39.7	6.5	0.7
APR.	69.5	216.3	431.5	343.1	357.4	29.4	88.4	64.1	60.2	40.0	6.7	2.1
MAY	70.2	218.3	432.9	347.4	362.5	29.9	85.5	64.4	60.2	40.2	7.4	2.1
JUNE	71.1	221.9	437.1	353.1	368.6	30.6	84.1	64.7	61.2	40.3	7.0	3.8
JULY	71.4	222.1	439.1	357.0	374.4	31.0	82.1	65.1	61.8	40.2	6.8	2.5
AUG.	71.9	222.3	437.4	359.4	379.0	31.5	78.0	65.4	61.2	39.4	7.0	2.9
SEPT.	72.0	222.7	440.7	361.7	382.9	31.9	79.1	65.8	61.4	38.4	7.0	3.1
OCT.	72.5	221.5	445.8	364.6	386.6	32.4	81.3	66.2	61.0	37.8	7.9	2.9
NOV.	73.4	223.7	450.0	368.6	390.2	32.8	81.4	66.5	61.1	37.4	8.2	3.6
DEC. P	73.8	222.6	454.5	371.2	393.1	33.3	83.3	66.9	61.1	37.1	8.4	3.1
WEEKLY:												
1975--NOV. 12	73.3	225.1	448.7	367.8			80.9				7.9	3.9
19	73.4	222.8	449.9	368.6			81.2				8.6	3.9
26	73.4	223.3	451.6	370.1			81.5				8.5	3.3
DEC. 3	73.9	225.1	452.5	370.1			82.4				8.0	3.4
10P	73.8	222.6	454.4	371.2			83.2				7.8	3.2
17P	73.9	221.5	454.2	370.9			83.3				8.0	4.7
24P	73.7	221.4	454.8	371.3			83.4				9.2	2.9
31P	73.7	223.6	455.1	371.6			83.5				8.5	2.0
1976--JAN. 7P	73.7	222.3	455.4	373.2			82.2				8.3	2.3

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/ 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 in an annual rate)

		$\overline{M_1}$		$\overline{M_2}$		$\overline{M_3}$	
		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
QIV '72-QIV '73		6.1	6.3	8.8	8.9	8.8	9.0
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
QIV '73-QIV '74		4.8	5.2	7.2	7.7	6.8	7.1
1975	I	0.8	-0.3	7.6	5.8	9.9	7.8
	II	11.2	8.6	13.4	11.2	15.7	13.8
	III	2.3	6.9	6.3	10.4	9.9	13.2
	IV	2.3	2.4	6.8	6.4	8.5	8.7
QIV '74-QIV '75		4.2	4.5	8.8	8.7	11.4	11.3

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

Projected Federal Funds Rates

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1976	QI	4½	5	5½
	QII	4½	6-1/8	6½
	QIII	5½	6½	7½
	QIV	6	6½	7½

Appendix Table V

Preliminary Revised Seasonal Factors on Demand Deposits
and Effects on M_1 Growth Rates

	<u>Old factors</u>	<u>Preliminary factors available on Dec. 12, 1975</u>	<u>New factors</u>	<u>Effect on M_1 growth (at annual rate)^{1/}</u>
January	103.5	103.1	102.9	6.3
February	99.0	98.7	98.8	-3.0
March	99.0	99.0	99.0	-2.5
April	100.9	100.9	100.9	0.4
May	97.9	97.9	97.9	0
June	99.1	99.5	99.6	-5.0
July	99.55	99.8	99.85	2.1
August	98.4	98.4	98.45	2.4
September	99.2	99.2	99.2	0.4
October	99.8	99.6	99.6	2.0
November	100.5	100.6	100.6	-2.8
December	103.1	103.3	103.2	-0.4

^{1/} The difference is calculated from the old seasonal factors to the new seasonal factors and includes effect of currency seasonals.