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February 13, 1976

Strictly Confidential (FR) Class I FOMC

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# MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

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Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

February 13, 1976

MONETARY AGGREGATES AND  
MONEY MARKET CONDITIONS

Recent developments

(1)  $M_1$  appears to be growing at about a  $4\frac{1}{2}$  per cent annual rate in the January-February period--slightly above the lower limit of the Committee's two-month range of tolerance--as the table shows. On the other hand,  $M_2$  is expanding at around a 12 per cent rate--somewhat above the upper limit of its range. The larger than expected increase in  $M_2$  mainly reflects the sizable expansion in savings deposits that has occurred since early January, when yields on some key short-term market securities dropped below the 5 per cent ceiling rate on such accounts. In January,  $M_1$  grew at only a 1.6 per cent annual rate, but the pace of expansion picked up during the early weeks of February.

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

<u>Reserve and monetary aggregates (Growth at SAAR, in per cent)</u>	<u>Ranges of Tolerance</u>	<u>Latest Estimates</u>
$M_1$	4 to 9	4.3
$M_2$	7 to $11\frac{1}{2}$	12.1
RPD	-7 to -2	-6.0
Memo:		<u>Avg. for statement week ending</u>
Federal funds rate (per cent per annum)	$4\frac{1}{2}$ to 5	Jan. 21 4.81 28 4.80 Feb. 4 4.82 11 4.73

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(2) The adjusted bank credit proxy declined somewhat on balance in January and is projected to expand at no more than about a  $2\frac{1}{2}$  per cent annual rate in February. Bank loans have increased only modestly since the beginning of the year, and banks have permitted CD's to run-off in large volume. While most major banks cut their prime lending rate to  $6\frac{1}{2}$  per cent during the intermeeting period, the adjustment to earlier declines in market rates was only partial, so that spreads of the prime over commercial paper rates remained unusually wide.

(3) With strength in  $M_2$  offsetting weakness in  $M_1$ , the Desk continued throughout the intermeeting period to aim at the  $4\frac{1}{2}$  per cent Federal funds rate prevailing at the time of the last meeting. Other short-term market rates did drift down another 10-15 basis points in late January when market participants were still anticipating some further reduction in the funds rate, but these declines were reversed once it became clear that such a cut was unlikely. As a result, most market interest rates showed little net change over the intermeeting period. However, the strong performance of deposit flows at thrift institutions encouraged some additional decline in mortgage rates.

(4) The announcement of terms on the Treasury's February refinancing--which involved a fixed price offering of a 7-year note and auctions of a 3-year note and a re-opened long bond--exerted less upward yield pressure on the market for outstanding issues than many had anticipated. As a result, the 8 per cent coupon on the offering of 7-year notes at par was particularly attractive. Tenders were huge, and the Treasury

issued \$6 billion of the note rather than the \$3½ billion originally planned. This issue has moved to about a 1½ point premium. Meanwhile, the new 3-year note and the re-opened long bond have moved to small discounts relative to their auction averages. Dealers were awarded negligible amounts of the 8 per cent note and have acquired only modest amounts through the secondary market. Awards of the short note and the bond were fairly large. While reasonably good progress has been made in distributing the issues, dealers' over-all position in coupon issues is still sizable. Moreover, their holdings of Treasury bills are unusually large, reflecting the cumulative impact of large Treasury cash raising activities in that area.

(5) 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 Jan. '76 over July '75	Past Three Months Jan. '76 over Oct. '75	Past Month Jan. '76 over Dec. '75
	1974	1975			
Total reserves	8.4	-.3	3.5	10.6	5.5
Nonborrowed reserves	10.6	1.5	4.8	11.9	7.3
Reserves available to support private nonbank deposits	8.8	-.9	.2	2.2	-2.6
<u>Concepts of Money</u>					
M <sub>1</sub> (currency plus demand deposits) <u>1/</u>	4.7	4.2	2.4	2.7	1.6
M <sub>2</sub> (M <sub>1</sub> plus time deposits at commercial banks other than large CD's)	7.2	8.3	6.7	8.2	10.5
M <sub>3</sub> (M <sub>2</sub> plus deposits at thrift institutions)	6.8	11.2	9.6	9.9	11.4
M <sub>4</sub> (M <sub>2</sub> plus CD's)	10.6	6.3	5.1	6.4	3.4
M <sub>5</sub> (M <sub>3</sub> plus CD's)	9.0	9.6	8.4	8.6	6.9
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	10.2	3.9	3.6	4.9	-0.5
Loans and investments of commercial banks <u>2/</u>	9.2	4.3	3.9	2.8	5.3
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	2.2	-.6	-.5	-.6	-3.7
Nonbank commercial paper	.4	-.2	-.3	.1	.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

(6) Summarized below for Committee consideration are alternative shorter-run operating ranges for the monetary aggregates and the Federal funds rate.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges of tolerance for February-March			
M <sub>1</sub>	5½ to 9½	5 to 9	4½ to 8½
M <sub>2</sub>	10½ to 13½	10 to 13	9½ to 12½
RPD	-4 to 0	-4½ to -½	-5 to -1
Federal funds rate (intermeeting range)	3½ to 4½	4½ to 5½	4½ to 5½

(7) Each of these short-run alternatives is consistent with a 6 per cent growth rate for M<sub>1</sub> over the period from QIV '75 to QIV '76-- the mid-point of the longer-run M<sub>1</sub> growth range adopted by the Committee at its last meeting. Growth rates for M<sub>2</sub> and M<sub>3</sub> over the longer-run for each of the alternatives are also around the middle of the 12-month ranges for these aggregates adopted at the last meeting. There are some minor differences in growth rates for the broader aggregates among the alternatives because of projected differences in interest rate patterns. Longer-run growth rates, as well as more detailed figures, are shown in the tables on pp. 5a and 5b.

(8) Under alternative B, the Federal funds rate range is centered on the recently prevailing 4½ per cent level. Given such a funds rate, M<sub>1</sub> growth over the February-March period is expected to be within a 5 to 9 per

Alternative Levels and Growth Rates for Key Monetary Aggregates

		<u>M<sub>1</sub></u>			<u>M<sub>2</sub></u>			<u>M<sub>3</sub></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>
1976	January	295.4	295.4	295.4	669.1	669.1	669.1	1102.3	1102.3	1102.3
	February	297.2	297.1	297.0	677.0	676.7	676.5	1115.7	1115.3	1105.0
	March	299.1	298.9	298.7	682.7	682.0	681.3	1126.7	1125.5	1124.3
1975	QIV	294.7	294.7	294.7	660.2	660.2	660.2	1084.5	1084.5	1084.5
1976	QI	297.2	297.1	297.0	676.3	675.9	675.6	1114.9	1114.4	1113.9
	QII	303.3	302.9	302.5	695.4	693.9	692.3	1149.3	1146.4	1143.7
	QIII	308.1	307.8	307.3	710.0	708.6	707.0	1176.0	1172.9	1170.1
	QIV	312.4	312.4	312.4	722.8	722.3	721.9	1199.0	1197.7	1196.6
<u>Growth Rates</u>										
<u>Monthly:</u>										
1976	February	7.3	6.9	6.5	14.2	13.6	13.3	14.6	14.2	13.8
	March	7.7	7.3	6.9	10.1	9.4	8.5	11.8	11.0	10.0
<u>Quarterly Average:</u>										
1976	QI	3.4	3.3	3.1	9.8	9.5	9.3	11.2	11.0	10.8
	QII	8.2	7.8	7.4	11.3	10.7	9.9	12.3	11.5	10.7
	QIII	6.3	6.5	6.3	8.4	8.5	8.5	9.3	9.2	9.2
	QIV	5.6	6.0	6.6	7.2	7.7	8.5	7.8	8.5	9.2
QIV '75-QII '76		6.8	5.6	5.3	10.7	10.2	9.7	12.0	11.4	10.9
QII '76-QIV '76		6.0	6.3	6.5	7.9	8.2	8.6	8.7	8.9	9.3
QIV '75-QIV '76		6.0	6.0	6.0	9.5	9.4	9.3	10.6	10.4	10.3
<u>Committee Longer-run Growth Ranges</u>										
QIV '75-QIV '76		4½ to 7½			7½ to 10½			9 to 12		

Alternative Levels and Growth Rates for Key Monetary Aggregates (cont'd)

		<u>M<sub>4</sub></u>			<u>M<sub>5</sub></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>
1976	January	748.3	748.3	748.3	1181.5	1181.5	1181.5	514.2	514.2	514.2
	February	752.9	752.6	752.4	1191.6	1191.2	1190.9	515.5	515.2	515.1
	March	758.2	757.5	756.6	1202.2	1200.9	1199.7	518.3	517.8	517.2
1975	QIV	742.1	742.1	742.1	1166.3	1166.3	1166.3	512.2	512.2	512.2
1976	QI	753.1	752.8	752.4	1191.8	1191.2	1190.7	516.0	515.7	515.5
	QII	770.5	769.1	767.5	1224.4	1221.7	1218.9	525.6	524.6	523.5
	QIII	786.3	785.2	783.6	1252.2	1249.5	1246.7	535.5	534.7	533.7
	QIV	801.3	800.6	799.8	1277.4	1276.0	1274.8	544.3	543.7	543.1
<u>Growth Rates</u>										
Monthly:										
1976	February	7.4	6.9	6.6	10.3	9.9	9.5	3.0	2.3	2.1
	March	8.4	7.8	6.7	10.7	9.8	8.9	6.5	6.1	4.9
Quarterly Averages:										
1976	QI	5.9	5.8	5.6	8.7	8.5	8.4	3.0	2.7	2.6
	QII	9.2	8.7	8.0	10.9	10.2	9.5	7.4	6.9	6.2
	QIII	8.2	8.4	8.4	9.1	9.1	9.1	7.5	7.7	7.8
	QIV	7.6	7.8	8.3	8.1	8.5	9.0	6.6	6.7	7.0
QIV '75-QII '76	7.7	7.3	6.8	10.0	9.5	9.0	5.2	4.8	4.4	
QII '76-QIV '76	8.0	8.2	8.4	8.7	8.9	9.2	7.1	7.3	7.5	
QIV '75-QIV '76	8.0	7.9	7.8	9.5	9.4	9.3	6.3	6.1	6.0	

cent, annual rate, range. Tax refunds are projected to be very large beginning in the second half of February--even a little larger than a year ago, when refund payments in this period were unusually high. In addition, the projected strength in economic activity in the first quarter should involve rising transactions demands.

(9) Even if  $M_1$  growth in February-March is as rapid as implied by the mid-point of the range stipulated for alternative B,  $M_1$  would expand at only about a  $3\frac{1}{2}$  per cent annual rate from the fourth quarter of 1975 to the first quarter of this year. Thus, given projected GNP growth of about 12 per cent annual rate, another sizable rise in velocity appears in store--as would be consistent with a further downward shift in the demand for money. The staff is assuming only a small further downward shift after the first quarter, and as a result interest rates can be expected to begin rising in the spring if  $M_1$  growth is to be kept to around a 6 per cent rate over the year. The funds rate under alternative B is expected to reach an average level of around  $6\frac{1}{2}$  per cent by the fourth quarter of this year. Rate pressures would, of course, be stronger if the demand for money began strengthening relative to GNP. Appendix Table IV shows Federal funds rates expected over the course of the year for each of the alternatives.

(10)  $M_2$  growth in the February-March period under alternative B is likely to be in a 10 to 13 per cent annual rate range. The rate of growth in time and savings deposits (other than large CD's) may moderate over the next few weeks from its recent exceptionally rapid pace, partly in consequence of withdrawals in connection with payment for the new 8 per cent 7-year Treasury note. A further slowing in such deposit flows can be

expected as the year progresses in view of the anticipated rise in short-term market interest rates.

(11) Little further change in market interest rates would be expected between now and the mid-March Committee meeting under the specifications of alternative B. The 3-month bill rate could rise somewhat because a substantial part--perhaps half--of the Treasury's very heavy cash need of around \$15 billion between now and mid-April may be raised in the bill area, where dealer bill positions are already large. Upward adjustment of interest rates in the 2 to 7 year maturity area may also develop, since the Treasury will be offering additional notes for cash in the forthcoming period; a \$2½ billion 21-month note to be auctioned next Friday was announced today. Yields in the corporate bond market are likely to fluctuate within a narrow range, with little significant change anticipated over the next few weeks in the flow of new issues coming to market. The municipal market is still subject to substantial uncertainty because of persisting doubts as to how New York State and certain other borrowers will cover forthcoming financing needs.

(12) Alternative A involves a decline in the Federal funds rate to the mid-point of a 3½ to 4½ per cent range, and slightly higher growth rates for  $M_1$  and  $M_2$  over the near-term than under alternative B. Such a drop in the funds rate might be accompanied by only a modest decline in the 3-month Treasury bill rate, given the large Treasury cash needs noted earlier. Long-term market rates would probably decline only temporarily, if at all, in response to a drop in the funds rate, in view of the widespread market expectations of continuing economic recovery and the likelihood that borrowers would accelerate bond offerings should rates soften noticeably.

(13) The staff would not expect a decline in the funds rate to be sustainable, given the FOMC's longer-run monetary growth ranges. If alternative A were adopted, the funds rate would probably have to start rising by early spring, and during the third and fourth quarters would reach levels somewhat above those resulting under alternative B. However, reflecting the initially somewhat more accommodative reserve policy under alternative A, growth in the aggregates would be a little stronger in the first half of 1976 than under alternative B. Monetary growth would, of course, be somewhat less rapid in the second half.

(14) Alternative C involves a rise in the Federal funds rate to the mid-point of a  $4\frac{1}{2}$  to  $5\frac{1}{2}$  per cent range over the next few weeks. This may engender increases of as much as 50 to 100 basis points in other short-term rates and in yields on Treasury notes, given current market expectations of near-term rate stability and the heavy prospective volume of Treasury financing. Rate increases on longer-term market securities would probably be less pronounced. The prospect for reduced flows to thrift institutions would forestall any further decline in mortgage rates and may set the stage for some back-up.

(15) However, under this alternative, mortgage markets, and credit markets generally, may tighten less over the course of the year than under either alternatives A or B. Given response lags, an early tightening of the funds rate would mean that less pressure would have to be exerted on markets later in the year to constrain growth in money. The lower average level of market rates achieved under this alternative would thus tend to limit pressures on thrift institutions during the second half of the year compared with the other alternatives.

Proposed directive

(16) Given below is a proposed operational paragraph if the Committee wishes to formulate its instructions in terms of desired growth in monetary aggregates over the months ahead. No alternatives are presented for this formulation, in the expectation that the reference to desired growth will be taken to apply to the longer-term targets and that at this meeting the Committee will not reconsider those targets.

"Monetary aggregates" proposal

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 ahead; -provided-that-monetary-aggregates-appear to-be-growing-at-about-the-rates-currently-expected.

(17) Should the Committee desire to continue placing main emphasis on bank reserve and money market conditions, the language needed would depend on the specific conditions sought. Three alternative "money market" directives intended to correspond to the similarly lettered policy alternatives are given below.

Alternative "money market" 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 SOMEWHAT EASIER 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.

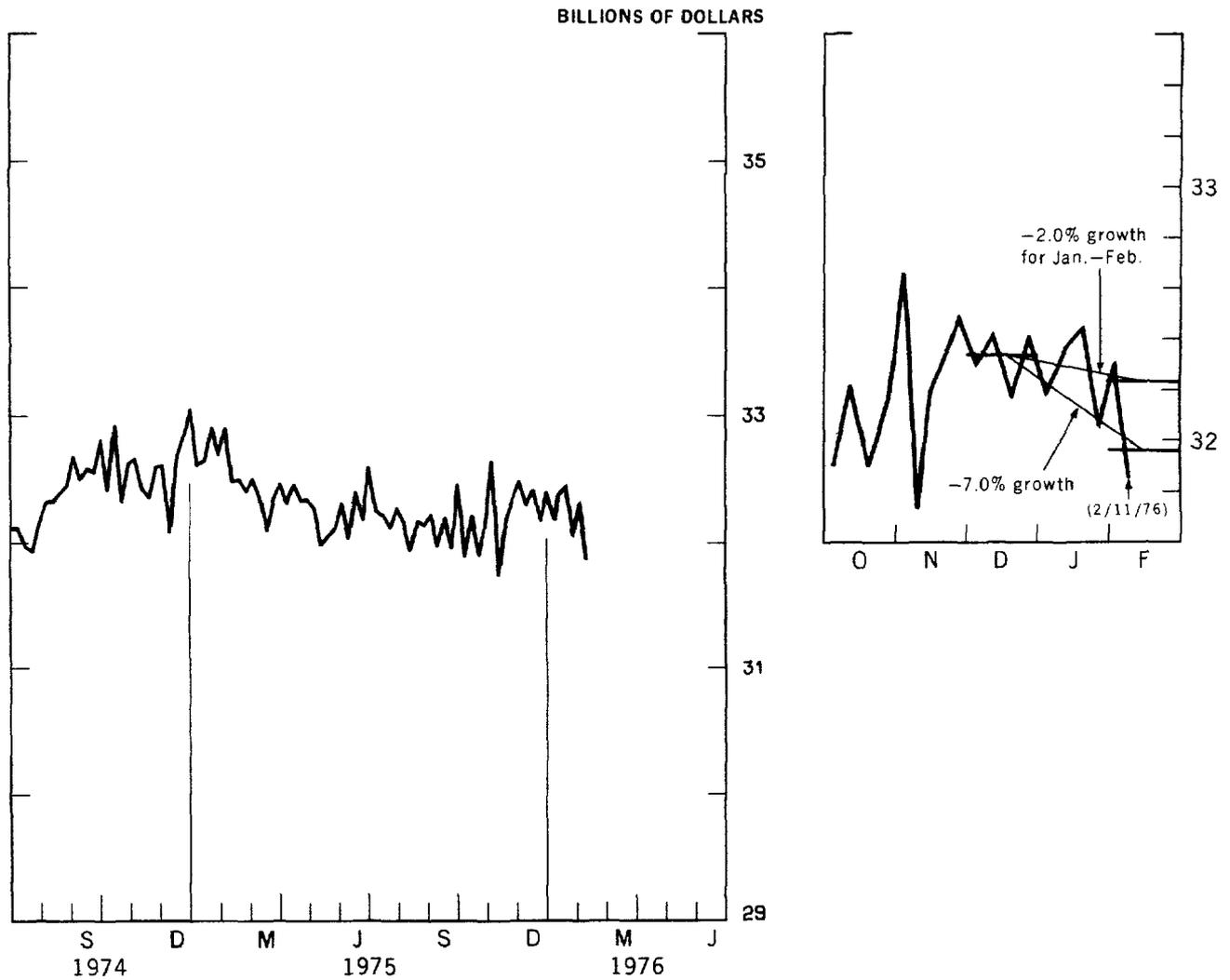
Alternative B

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.

Alternative C

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ~~maintain-prevailing~~ ACHIEVE SOMEWHAT FIRMER 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

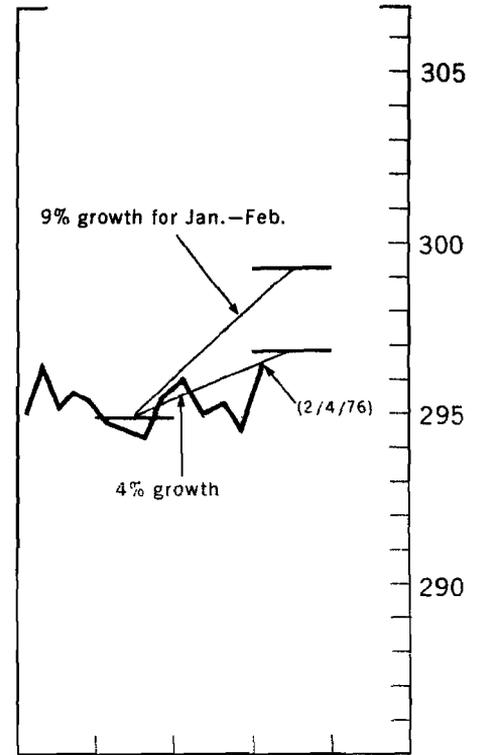
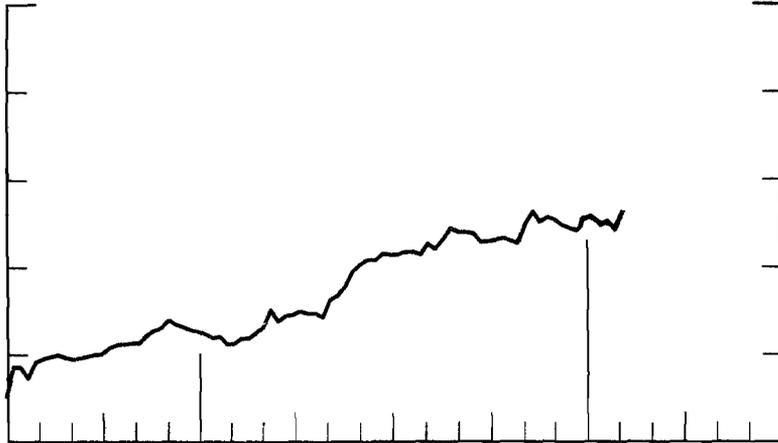


RPD series has been adjusted to remove discontinuities associated with changes in reserve requirement ratios.

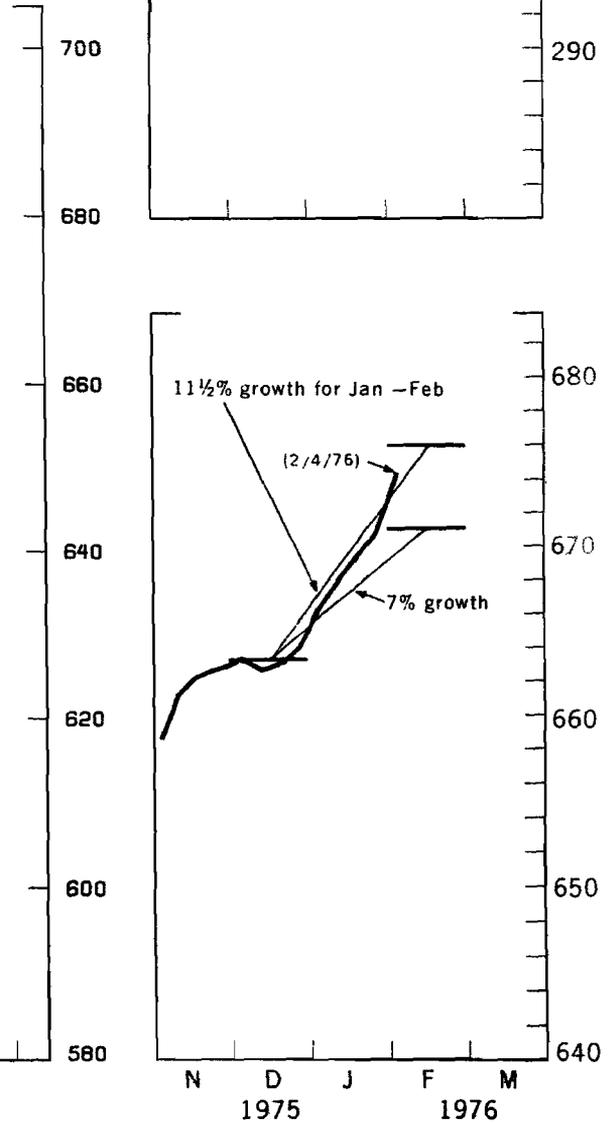
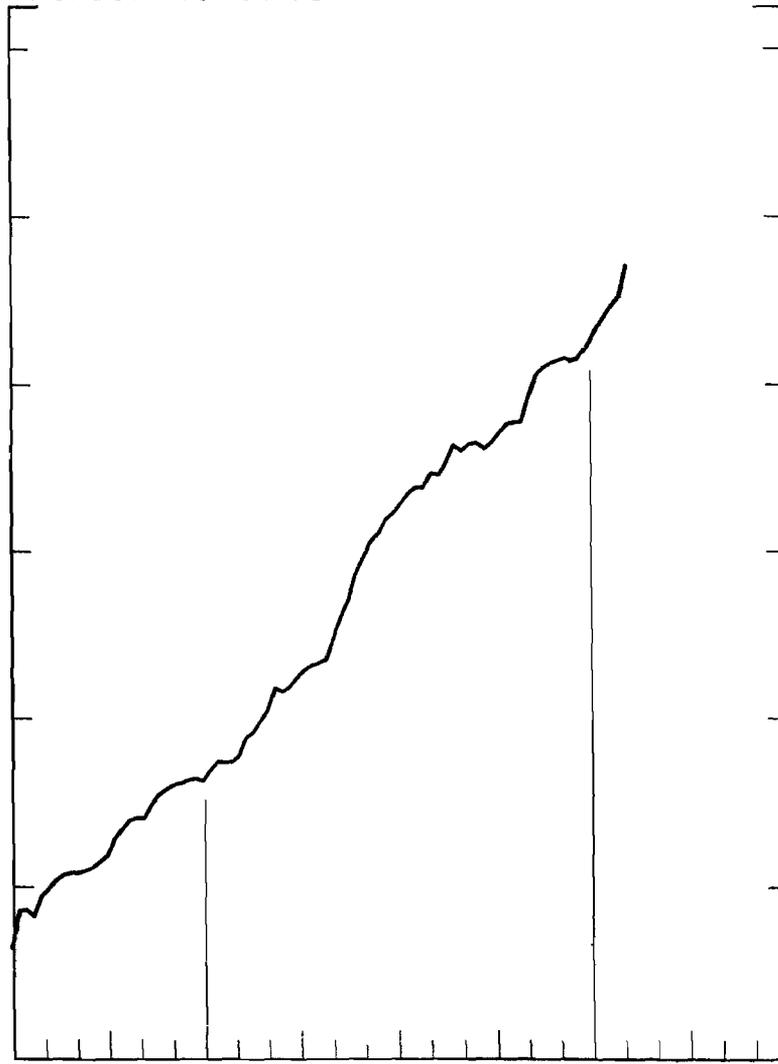
# MONETARY AGGREGATES

### NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS

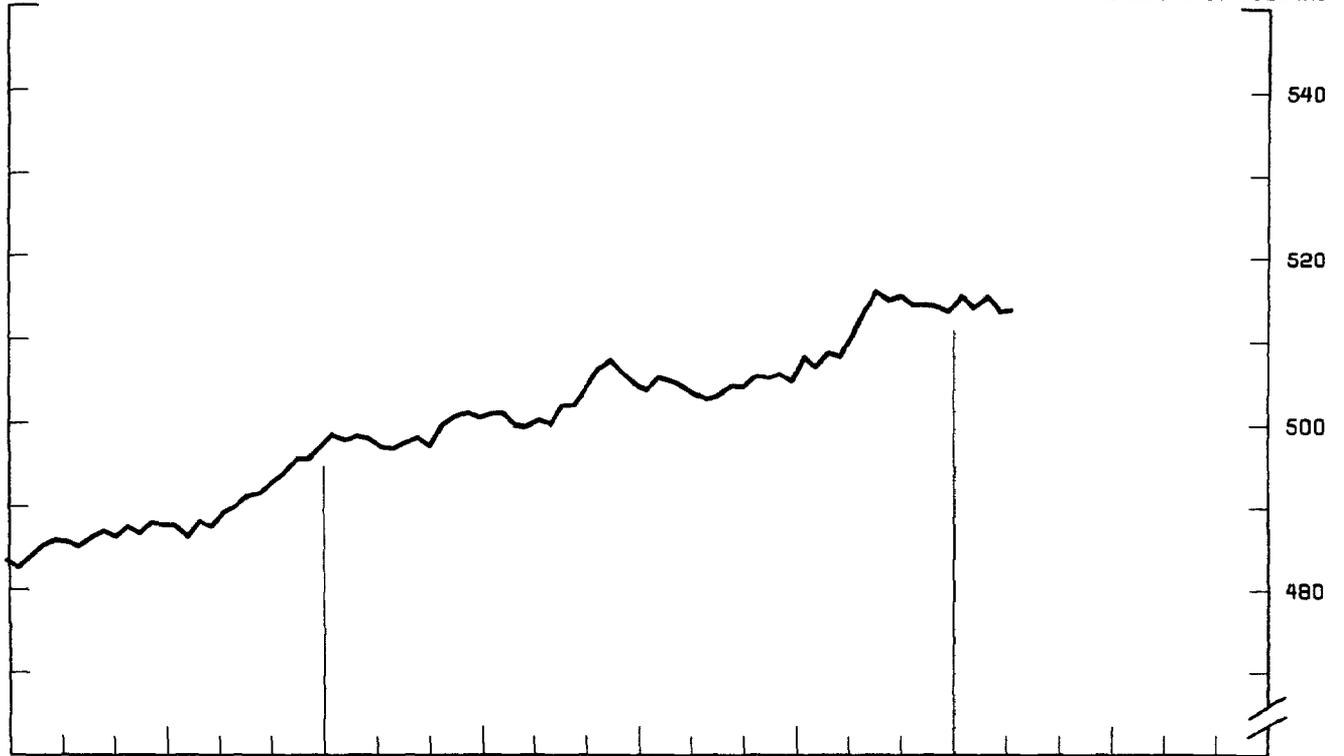


### BROADER MONEY SUPPLY M2

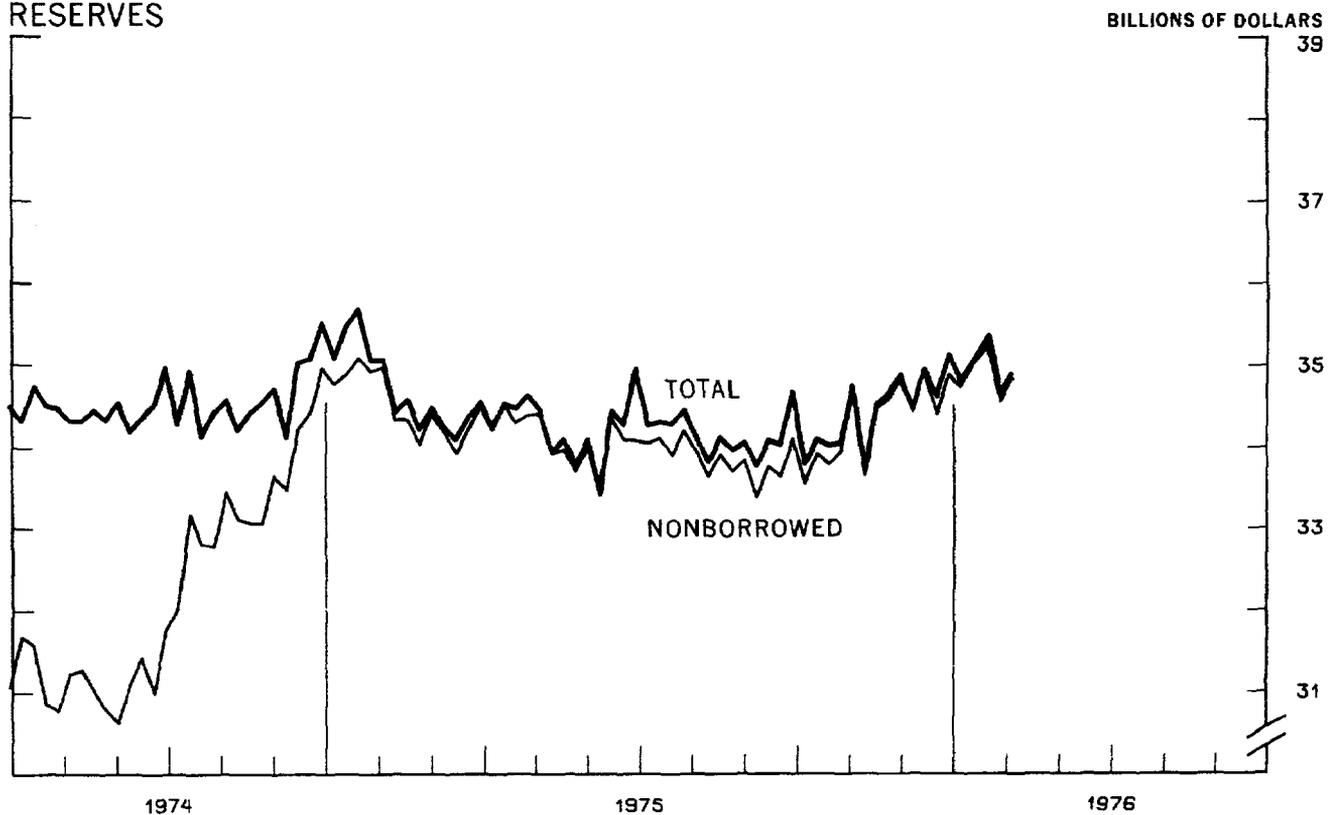


# MONETARY AGGREGATES

ADJUSTED CREDIT PROXY



RESERVES



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

CHART 4

# MONEY MARKET CONDITIONS AND INTEREST RATES

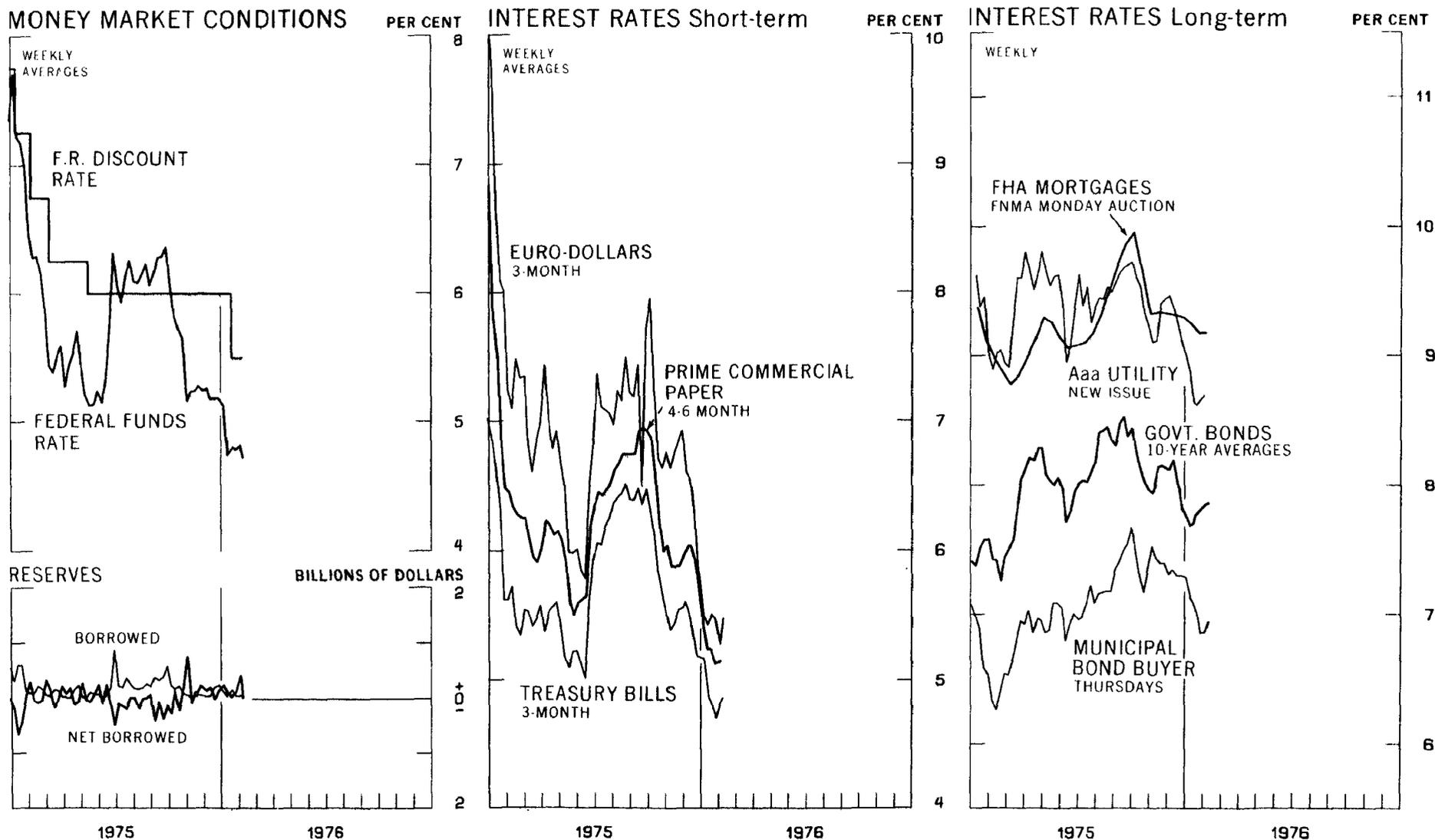


TABLE 1  
**BANK RESERVES**  
(ACTUAL AND CURRENT PROJECTIONS)

FEB. 13, 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
<b>MONTHLY LEVELS--\$MILLIONS</b>								
1975--NOV.	32,241	32,251	34,451	34,391	34,168	19,803	12,155	2,210
DEC.	32,337	32,588	34,805	34,675	34,539	19,802	12,267	2,469
1976--JAN.	32,268	33,206	34,965	34,887	34,721	19,821	12,201	2,699
FEB.	(32,014)	(31,933)	(34,145)	(34,091)	(33,954)	(19,851)	(11,973)	(2,130)
<b>PERCENT ANNUAL GROWTH</b>								
<b>QUARTERLY</b>								
1975--2ND QTR.	-0.7		-1.3	-2.7	-1.3	10.2	-16.5	
3RD QTR.	-1.8		-1.1	-3.1	-1.0	2.2	-8.0	
4TH QTR.	2.4		8.0	11.3	7.2	-1.7	6.7	
<b>QUARTERLY--AV</b>								
1975--2ND QTR.	-3.5		-5.4	-4.5	-5.4	6.6	-17.4	
3RD QTR.	-1.2		-1.0	-3.0	-1.3	5.3	-11.9	
4TH QTR.	0.7		3.2	5.3	2.5	-1.5	2.2	
<b>MONTHLY</b>								
1975--NOV.	5.5		13.6	18.2	11.0	6.1	-2.4	
DEC.	3.6		12.3	9.9	13.0	-0.1	11.1	
1976--JAN.	-2.6		5.5	7.3	6.3	1.2	-6.5	
FEB.	(-9.4)		(-28.1)	(-27.4)	(-26.5)	(1.8)	(-22.4)	
JAN.--FEB.	(-6.0)		(-11.4)	(-10.1)	(-10.2)	(1.5)	(-14.4)	
<b>WEEKLY LEVELS--\$MILLIONS</b>								
1976--JAN. 7	32,187	32,869	34,809	34,738	34,510	19,597	12,287	2,625
14	32,370	33,479	35,057	35,013	34,871	19,947	12,237	2,687
21	32,441	33,707	35,387	35,235	35,153	20,003	12,204	2,946
28	32,061	32,938	34,641	34,583	34,468	19,742	12,145	2,581
1976--FEB. 4	32,295	32,813	34,889	34,834	34,444	19,807	12,043	2,594
11	31,846	31,734	33,835	33,798	33,814	19,809	12,015	1,989

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 JAN. 20, 1976 THE COMMITTEE AGREED ON A RPD RANGE OF -7.0 TO -2.0 PERCENT FOR THE JAN.-FEB. PERIOD.

Table 2  
**MONETARY AGGREGATES**

CONFIDENTIAL (F R)  
CLASS II FOMC  
FEB. 13, 1976

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
<b>MONTHLY LEVELS--\$BILLIONS</b>								
1975--NOV.	295.7	661.6	514.1	3.9	447.6	365.9	81.8	8.2
DEC.	295.0	663.3	514.4	3.0	451.2	368.3	82.9	8.4
1976--JAN.	295.4	669.1	514.2	2.6	452.9	373.6	79.2	7.9
FEB.	(297.1)	(676.7)	(515.2)	( 2.5)	(455.5)	(379.6)	( 75.9)	( 7.7)
<b>PERCENT ANNUAL GROWTH</b>								
<b>QUARTERLY</b>								
1975--2ND QTR.	9.7	12.5	5.3		6.3	14.6	-25.4	
3RD QTR.	3.6	6.5	-0.8		2.6	8.9	-23.8	
4TH QTR.	1.9	6.4	7.0		11.8	10.1	19.2	
<b>QUARTERLY-AV</b>								
1975--2ND QTR.	7.4	10.2	3.6		4.5	12.5	-24.5	
3RD QTR.	7.1	10.1	1.4		4.7	12.7	-27.5	
4TH QTR.	2.5	6.1	6.0		9.1	9.1	9.5	
<b>MONTHLY</b>								
1975--NOV.	9.4	10.8	14.4		11.9	11.9	13.4	
DEC.	-2.8	3.1	0.7		9.7	7.9	16.1	
1976--JAN.	1.6	10.5	-0.5		4.5	17.3	-53.6	
FEB.	( 6.9)	( 13.6)	( 2.3)		( 6.9)	( 19.3)	( -50.0)	
JAN.-FEB.	( 4.3)	( 12.1)	( 0.9)		( 5.7)	( 18.4)	( -50.7)	
<b>WEEKLY LEVELS--\$BILLIONS</b>								
1976--JAN. 7	296.0	666.2	515.4	2.2	452.2	370.2	81.9	8.3
14	295.0	668.0	514.1	3.4	452.8	372.9	79.9	7.6
21	295.3	669.3	515.4	3.3	452.5	373.9	78.6	8.0
28	294.5	670.7	513.8	2.3	453.6	376.2	77.4	7.7
FEB. 4 P	296.5	674.4	513.9	2.2	454.6	377.9	76.7	7.7

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		▲ 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/ Factors (8)	Req. res. against U.S.G. and interb. (9)	available res. 5/ (6)+(7)+(8)-(9) (10)	available reserves 5/ (11)
1975--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	-130	-387	1	3	280
Dec.	1,799	297	--	1,219	3,315	1,165	66p	-813p	76	342p	355
1976--Jan.	-1,590	321	240	3,597	2,567	942	-48p	-295p	129	470p	960
Feb.											-1,110
Mar.											
1975--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	586	
24	1,195	297	--	3,328	4,820	3,643	174	-4,123	-185	-121	
31	193	--	--	-373	-179	454	34	287	542	233	
1976--Jan. 7	-404	--	--	-2,022	-2,426	-257	-186	503	-18	78	
14	-1,386	--	--	803	-583	-3,515	-22	3,788	-13	264	
21	1	321	240	--	561	773	108	-490	179	212	
28	192	--	--	6,504	6,696	2,551	-94	-3,575p	-378p	-740p	
Feb. 4	-190	189	--	-3,534	-3,536	1,605	-3	-1,562p	155p	-115p	
11	336	--	--	-2,969	-2,633	-4,051	n.a.	n.a.	-284p	n.a.	
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 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 January and February reflects the target adopted at the January 20, 1976 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<sup>1/</sup>  
 (\$ 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--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
1976--Jan.	-1,596	37	110	100	73	321	26	139	47	27	240	-1,030	3,597
1975--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	--	37	110	100	73	321	26	139	47	27	240	560	--
28	188	--	--	--	--	--	--	--	--	--	--	192	6,504
Feb. 4	-189	--	189	--	--	189	--	--	--	--	--	-1	-3,534
11	356	--	--	--	--	--	--	--	--	--	--	336	-2,969
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 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 (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)	Borrowing at FRB**		Basic Reserve Deficit		
					Excess** Reserves (5)	Total (6)	Seasonal (7)	8 New York (8)	38 Others (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
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.	4,751	2,073	156	173	251	60	29	-3,812	-10,159
Dec.	4,822	1,075	95	103	289p	131p	14p	-2,811	-10,418
1976--Jan.	*4,959	*1,220	34	97	245p	79p	9p	-3,611p	-9,770p
1975--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	247	45	14	-3,179	-11,011
24	4,546	1,256	0	97	211	219	12	-2,039	-10,179
31	4,296	1,437	0	63	414	253	12	-2,034	-9,020
1976--Jan. 7	4,607	1,144	0	34	324	67	10	-3,106	-8,478
14	6,173	1,208	38	132	163	45	9	-5,523	-10,607
21	*4,891	*1,637	34	57	197	153	9	-3,433	-10,712
28	*4,294	*1,005	30	164	173p	58p	8p	-2,625	-9,413
Feb. 4	*5,020	*828	5	159	457p	55p	11p	-2,481p	-9,011p
11	*4,936p	*1,750p	5p	130p	n.a.	n.a.	n.a.	-5,920p	-11,134p
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 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	J.S. Government (20-yr. Constant Maturity)	FNMA Auction Yield	GNMA Guaranteed Securities
		(1)	90-Day (2)	1-year (3)	(4)	60-89 Day (5)	90-119 Day (6)	New Issue (7)	Recently Offered (8)	(9)	(10)	(11)
1974--High	13.55	9.63	9.54	12.25	12.25	12.00	10.61	10.52	7.15	8.68	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
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	9.25	9.33	6.94	8.04	9.09	8.34
July	6.10	6.13	6.64	6.32	6.05	6.25	9.41	9.43	7.06	8.17	9.14	8.50
Aug.	6.14	6.44	7.16	6.59	6.31	6.63	9.46	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
1976--Jan.	4.87	4.87	5.44	5.15	4.91	5.03	8.70	8.70	7.07	8.01	9.10	8.37
1975--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	8.64	8.68	7.09	7.97	9.13	8.34
21	4.81	4.82	5.41	5.13	4.88	5.00	8.62	8.69	7.01	8.03	--	8.38
28	4.80	4.73	5.35	5.03	4.75	4.88	8.66	8.68	6.85	8.02	9.07	8.31
Feb. 4	4.82	4.82	5.36	5.00	4.75	4.88	8.68	8.62	6.86	8.02	--	8.29
11	4.73	4.87	5.48	5.13	4.88	5.13	--	8.70p	6.95	8.09	9.07	8.38
18												
25												
Daily--Feb. 5	4.77	4.92	5.52	5.13	--	--	--	--	--	8.04	--	--
11	4.75	4.83	5.46	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.

## MONEY AND CREDIT AGGREGATE MEASURES

Period	RESERVES <sup>1/</sup>			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Available to Support Pvt. Deposits	Adj. Credit proxy	Total Loans and Investments	M <sub>1</sub>	M <sub>2</sub>	M <sub>3</sub>	M <sub>4</sub>	M <sub>5</sub>	M <sub>6</sub>	M <sub>7</sub>
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:	(Per cent annual rates of growth)											
1973	7.6	7.0	9.0	10.5	13.5	6.0	8.8	8.8	11.6	10.6	11.1	11.6
1974	8.4	10.6	8.8	10.2	9.2	4.7	7.2	6.8	10.6	9.0	9.1	8.9
1975	-0.3	1.5	-0.9	3.9	4.3	4.2	8.3	11.2	6.3	9.6	9.1	8.6
SEMI-ANNUALLY:												
2ND HALF 1974	6.1	21.4	5.3	6.1	3.1	3.9	6.1	6.2	7.8	7.4	7.5	7.0
1ST HALF 1975	-3.9	-1.0	-2.2	4.5	5.1	5.6	9.8	11.9	6.9	9.9	9.3	9.1
2ND HALF 1975	3.4	4.0	0.3	3.1	3.4	2.7	6.5	9.9	5.4	9.0	8.5	7.8
QUARTERLY:												
1ST QTR. 1975	-6.5	0.7	-3.7	3.7	5.7	1.4	6.9	9.0	6.0	8.3	7.4	7.1
2ND QTR. 1975	-1.3	-2.7	-0.7	5.3	4.6	9.7	12.5	14.5	7.7	11.3	11.1	10.9
3RD QTR. 1975	-1.1	-3.1	-1.8	-0.8	3.6	3.6	6.5	10.7	3.0	8.1	7.7	6.9
4TH QTR. 1975	8.0	11.3	2.4	7.0	3.1	1.9	6.4	8.9	7.8	9.6	9.0	8.5
QUARTERLY-AV:												
1ST QTR. 1975	1.4	14.0	-0.5	5.5	1.0	0.6	5.6	7.5	7.4	8.5	7.8	6.8
2ND QTR. 1975	-5.4	-4.5	-3.5	3.6	5.1	7.4	10.2	12.6	5.6	9.4	8.9	8.8
3RD QTR. 1975	-1.0	-3.0	-1.2	1.4	4.1	7.1	10.1	13.3	5.7	10.1	9.8	9.2
4TH QTR. 1975	3.2	5.3	0.7	6.0	4.7	2.5	6.1	9.2	6.5	9.2	8.6	7.7
MONTHLY:												
1975--JAN.	14.8	26.7	3.4	5.8	4.7	-5.1	4.1	6.2	8.7	9.1	9.2	8.4
FEB.	-26.8	-18.5	-7.1	-0.7	4.3	0.0	7.2	8.9	4.9	7.3	6.2	6.2
MAR.	-7.1	-5.7	-7.5	6.0	7.9	9.4	9.3	11.7	4.4	8.2	6.5	6.7
APR.	5.2	5.1	1.1	2.2	3.4	3.4	7.1	10.8	3.9	8.3	8.7	8.7
MAY	-14.1	-12.6	-9.0	1.0	5.1	11.4	13.4	14.9	6.2	10.1	9.5	9.4
JUNE	5.1	-0.6	5.9	12.7	5.1	14.2	16.5	17.4	12.9	15.0	14.8	14.4
JULY	5.3	2.8	-1.9	-3.3	2.0	3.7	9.5	13.2	5.1	10.0	10.0	9.6
AUG.	-12.4	-9.3	-4.5	-4.3	6.8	5.3	5.7	10.3	-0.5	5.9	5.1	4.2
SEPT.	3.7	-2.8	1.1	5.2	2.0	1.6	4.2	8.5	4.3	8.2	8.0	6.8
OCT.	-1.9	5.4	-1.9	5.9	6.0	-0.8	5.1	8.4	7.7	9.8	8.8	8.0
NOV.	13.6	18.2	5.5	14.4	10.5	9.4	10.8	11.6	11.1	11.6	10.8	10.2
DEC.	12.3	9.9	3.6	0.7	-7.3	-2.8	3.1	6.5	4.5	7.2	7.3	7.1
1976--JAN. P	5.5	7.3	-2.6	-0.5	5.3	1.6	10.5	11.4	3.4	6.9	7.2	6.8

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 M<sub>3</sub>, M<sub>5</sub>, M<sub>6</sub>, M<sub>7</sub>, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTIONS.

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

P - PRELIMINARY

APPENDIX TABLE 1-B

**MONEY AND CREDIT AGGREGATE MEASURES**

FEB. 13, 1976

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

Period	RESERVES <sup>1/</sup>			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non borrowed	Available to Support Pvt Deposits	Adj Credit proxy	Total Loans and Invest ments	M <sub>1</sub>	M <sub>2</sub>	M <sub>3</sub>	M <sub>4</sub>	M <sub>5</sub>	M <sub>6</sub>	M <sub>7</sub>
	1	2	3	4	5	6	7	8	9	10	11	12
<b>ANNUALLY:</b>												
1973	32,177	30,879	30,000	449.4	634.6	270.5	571.4	919.5	634.9	982.9	1094.9	1133.1
1974	34,894	34,167	32,646	495.3	691.9	283.1	612.4	981.6	702.2	1071.4	1194.5	1234.2
1975	34,805	34,675	32,337	514.4	721.6	295.0	663.3	1091.9	746.2	1174.7	1303.2	1340.6
<b>MONTHLY:</b>												
1975--JAN.	35,324	34,926	32,738	497.7	694.6	281.9	614.5	986.7	707.3	1079.5	1203.7	1242.6
FEB.	34,534	34,387	32,545	497.4	697.1	281.9	618.2	994.0	710.2	1086.1	1209.9	1249.2
MAR.	34,329	34,223	32,342	499.9	701.7	284.1	623.0	1003.7	712.8	1093.5	1216.5	1256.2
APR.	34,478	34,368	32,371	500.8	703.7	284.9	626.7	1012.7	715.1	1101.1	1225.3	1265.3
MAY	34,074	34,008	32,128	501.2	706.7	287.6	633.7	1025.3	718.8	1110.4	1235.0	1275.2
JUNE	34,218	33,991	32,285	506.5	709.7	291.0	642.4	1040.2	726.5	1124.3	1250.2	1290.5
JULY	34,370	34,069	32,235	505.1	710.9	291.9	647.5	1051.6	729.6	1133.7	1260.6	1300.8
AUG.	34,016	33,804	32,113	503.3	714.9	293.2	650.6	1060.6	729.3	1139.3	1266.0	1305.4
SEPT.	34,120	33,724	32,143	505.5	716.1	293.6	652.9	1068.1	731.9	1147.1	1274.4	1312.8
OCT.	34,066	33,876	32,093	508.0	719.7	293.4	655.7	1075.6	736.6	1156.5	1283.7	1321.5
NOV.	34,451	34,391	32,241	514.1	726.0	295.7	661.6	1086.0	743.4	1167.7	1295.3	1332.7
DEC.	34,805	34,675	32,337	514.4	721.6	295.0	663.3	1091.9	746.2	1174.7	1303.2	1340.6
1976--JAN. P	34,965	34,887	32,268	514.2	724.8	295.4	669.1	1102.3	748.3	1181.5	1311.0	1348.2
<b>WEEKLY:</b>												
1975--DEC. 17	34,952	34,907	32,414	514.5		294.5	662.7		745.6			
24	34,626	34,407	32,175	514.2		294.2	663.0		745.8			
31	35,134	34,881	32,395	513.6		295.4	664.1		746.9			
1976--JAN. 7	34,809	34,738	32,187	515.4		296.0	666.2		748.2			
14P	35,057	35,013	32,370	514.1		295.0	668.0		747.8			
21P	35,387	35,235	32,441	515.4		295.3	669.3		747.9			
28P	34,641	34,583	32,061	513.8		294.5	670.7		748.1			
FEB. 4P	34,889	34,834	32,295	513.9		296.5	674.4		751.1			

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 M<sub>3</sub>, M<sub>5</sub>, M<sub>6</sub>, M<sub>7</sub>, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

<sup>1/</sup> 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	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares <sup>1/</sup>	Credit Union Shares <sup>1/</sup>	CD's	Savings Bonds <sup>1/</sup>	Short Term U.S. Gov't Securities <sup>1/</sup>	Commercial Paper <sup>1/</sup>
	1	2	3	4	5	6	7	8	9	10
(Per cent annual rates of growth)										
<b>ANNUALLY:</b>										
1973	8.1	5.3	16.2	11.4	8.5	13.8	45.6	5.1	30.9	38.8
1974	10.2	3.0	15.0	9.4	5.6	12.1	41.4	4.8	15.7	3.4
1975	8.7	2.8	7.7	11.8	15.8	20.2	-7.7	6.5	2.2	-5.8
<b>SEMI-ANNUALLY:</b>										
2ND HALF 1974	9.9	2.1	10.6	8.0	6.1	11.5	20.9	5.2	11.2	-5.4
1ST HALF 1975	9.4	4.4	7.8	13.4	15.2	20.9	-12.7	6.1	3.0	3.5
2ND HALF 1975	7.6	1.2	7.2	9.6	15.2	17.6	-2.9	6.8	1.3	-14.9
<b>QUARTERLY:</b>										
1ST QTR. 1975	9.4	-1.1	9.2	11.8	12.1	20.2	0.0	6.4	-7.3	1.0
2ND QTR. 1975	9.2	9.9	6.3	14.6	17.7	20.6	-25.4	5.6	13.5	6.0
3RD QTR. 1975	5.6	2.9	2.6	8.9	17.4	17.0	-23.8	6.8	1.3	-18.9
4TH QTR. 1975	9.4	-0.5	11.8	10.1	12.5	17.6	19.2	6.7	1.3	-11.5
<b>QUARTERLY-AV:</b>										
1ST QTR. 1975	8.9	-2.0	12.0	9.9	10.1	17.5	19.7	5.8	-3.3	-20.2
2ND QTR. 1975	8.1	6.9	4.5	12.5	16.2	21.0	-24.5	5.7	2.0	8.1
3RD QTR. 1975	6.5	6.6	4.7	12.7	18.2	18.6	-27.5	6.2	6.6	-9.0
4TH QTR. 1975	8.4	0.5	9.1	9.1	14.0	16.5	9.5	6.7	-2.0	-16.3
<b>MONTHLY:</b>										
1975--JAN.	7.1	-8.9	18.0	12.0	9.5	17.3	38.8	7.6	15.9	-15.2
FEB.	8.8	-2.8	8.2	13.0	11.2	21.4	-7.8	5.7	-15.7	6.1
MAR.	12.2	8.4	1.1	10.0	15.2	21.0	-30.0	5.7	-21.9	12.2
APR.	1.7	3.9	3.9	9.9	16.4	20.6	-18.7	5.6	20.3	9.1
MAY	12.1	11.1	3.1	15.1	17.2	20.3	-44.8	5.6	0.0	6.0
JUNE	13.7	14.4	12.0	18.4	18.9	19.9	-14.1	5.6	19.9	3.0
JULY	5.1	3.3	5.8	14.0	18.9	15.7	-28.5	7.4	11.8	-3.0
AUG.	10.1	3.8	-3.8	6.4	17.7	19.4	-48.2	5.5	-11.7	-23.9
SEPT.	1.7	1.6	5.8	6.0	14.9	15.2	4.6	7.3	3.9	-30.5
OCT.	10.0	-4.3	13.4	10.4	13.5	18.8	27.3	7.3	-7.8	-18.8
NOV.	13.2	8.2	11.9	11.9	12.4	14.8	13.4	5.4	0.0	-12.7
DEC.	4.9	-5.4	9.7	7.9	11.3	18.3	16.1	7.2	11.8	-3.2
1976--JAN. P	8.1	0.0	4.5	17.3	12.7	14.4	-53.6	5.4	11.7	-3.2

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.

APPENDIX TABLE 2-8

## 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 <sup>1/</sup>	Credit Union Shares <sup>1/</sup>	CD's	Savings Bonds <sup>1/</sup>	Short Term U.S. Gov't Securities	Commercial Paper <sup>1/</sup>	Non-deposit Funds	U.S. Gov't Demand
	1	2	3	4	5	6	7	8	9	10	11	12
<b>ANNUALLY:</b>												
1973	61.5	209.0	364.4	300.9	323.5	24.7	63.5	59.9	52.1	38.3	6.6	5.0
1974	67.8	215.3	419.1	329.3	341.6	27.7	89.8	62.8	60.3	39.6	8.4	3.4
1975	73.7	221.3	451.2	368.3	395.5	33.3	82.9	66.9	61.6	37.3	8.4	3.0
<b>MONTHLY:</b>												
1975--JAN.	68.2	213.7	425.4	332.6	344.3	28.1	92.7	63.2	61.1	39.1	7.6	2.6
FEB.	68.7	213.2	428.3	336.2	347.5	28.6	92.1	63.5	60.3	39.3	6.5	1.9
MAR.	69.4	214.7	428.7	339.0	351.9	29.1	89.8	63.8	59.2	39.7	6.5	2.5
APR.	69.5	215.4	430.1	341.8	356.7	29.6	88.4	64.1	60.2	40.0	6.7	2.7
MAY	70.2	217.4	431.2	346.1	361.8	30.1	85.1	64.4	60.2	40.2	7.4	2.5
JUNE	71.0	220.0	435.5	351.4	367.5	30.6	84.1	64.7	61.2	40.3	7.0	3.2
JULY	71.3	220.6	437.6	355.5	373.3	31.0	82.1	65.1	61.8	40.2	6.8	2.6
AUG.	71.9	221.3	436.2	357.4	378.8	31.5	78.8	65.4	61.2	39.4	7.0	2.8
SEPT.	72.0	221.6	438.3	359.2	383.5	31.9	79.1	65.8	61.4	38.4	7.0	3.0
OCT.	72.6	220.8	443.2	362.3	387.8	32.4	80.9	66.2	61.0	37.8	7.9	3.0
NOV.	73.4	222.3	447.6	365.9	391.8	32.8	81.8	66.5	61.0	37.4	8.2	3.9
DEC.	73.7	221.3	451.2	368.3	395.5	33.3	82.9	66.9	61.6	37.3	8.4	3.0
1976--JAN. P	74.2	221.3	452.9	373.6	399.7	33.7	79.2	67.2	62.2	37.2	7.9	2.6
<b>WEEKLY:</b>												
1975--DEC. 17	73.8	220.7	451.1	368.2			82.9				8.0	4.0
24	73.8	220.4	451.6	368.7			82.9				9.2	2.8
31	73.7	221.8	451.5	368.7			82.8				8.5	2.1
1976--JAN. 7	73.7	222.2	452.2	370.2			81.9				8.3	2.2
14P	74.1	220.9	452.8	372.9			79.9				7.6	3.4
21P	74.2	221.2	452.5	373.9			78.6				8.0	3.3
28P	74.5	220.1	453.6	376.2			77.4				7.7	2.3
FEB. 4P	74.5	222.0	454.6	377.9			76.7				7.7	2.2

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.

<sup>1/</sup> 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)

		$M_1$		$M_2$		$M_3$	
		M	Q	M	Q	M	Q
1973	I	3.6	7.4	7.3	9.2	8.4	10.3
	II	10.1	6.4	9.9	8.2	9.8	8.5
	III	1.8	5.5	6.3	7.9	6.1	7.8
	IV	7.8	5.1	10.5	9.0	9.9	8.4
QIV '72-QIV '73		6.0	6.2	8.8	8.8	8.8	9.0
1974	I	5.3	6.0	9.0	9.6	8.4	8.9
	II	5.3	5.6	6.9	7.4	5.7	6.5
	III	3.0	4.2	5.5	6.4	5.2	5.6
	IV	4.7	4.0	6.6	6.4	7.2	6.5
QIV '73-QIV '74		4.7	5.0	7.2	7.7	6.8	7.1
1975	I	1.4	0.6	6.9	5.6	9.0	7.5
	II	9.7	7.4	12.5	10.2	14.5	12.6
	III	3.6	7.1	6.5	10.1	10.7	13.3
	IV	1.9	2.5	6.4	6.1	8.9	9.2
QIV '74-QIV '75		4.2	4.4	8.3	8.2	11.2	11.1

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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	4¾	5
	QII	5	5½	5¾
	QIII	6½	6	6
	QIV	7	6¾	6