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SUPPLEMENT

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the
Federal Open Market Committee

By the Staff
Board of Governors
of the Federal Reserve System

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SUPPLEMENTAL NOTES

The Domestic Nonfinancial Economy

Private housing starts rose 2 per cent in May to a seasonally adjusted annual rate of 1.42 million units. All of the increase was accounted for by a rise in the rate of multi-family unit starts. Although still quite low, the May rate for such units--358,000--was the highest in nearly 2 years. The pace of single-family starts declined slightly further.

Residential building permits increased 6 per cent in May. Permits for both single-family and multi-family units were higher than a month earlier.

PRIVATE HOUSING STARTS AND
RESIDENTIAL BUILDING PERMITS
(Seasonally adjusted annual rates, in millions of units)

	1975	1976				Per cent change in May from:	
						Month	Year
		QIV	QI (r)	Mar. (r)	Apr. (r)	May (p)	ago
<u>STARTS</u>	1.37	1.40	1.42	1.38	1.42	+ 2	+30
1 - family	1.03	1.12	1.11	1.06	1.06	- 1	+24
2 - or more - family	.33	.28	.31	.32	.36	+13	+54
<u>PERMITS</u>	1.06	1.13	1.13	1.10	1.16	+ 6	+27
1 - family	.77	.84	.83	.81	.82	+ 1	+25
2 - or more - family	.29	.29	.31	.28	.34	+20	+33

Personal income rose 10.3 per cent (compound annual rate) from April to May--the same rate as over the January to April period. Wage and salary disbursements grew somewhat faster in May--at a 10.8 compound annual rate compared to 8.8 over the previous three months. Growth in manufacturing payrolls slowed in May, reflecting a decline in the nondurable sector associated with the rubber strike.

PERSONAL INCOME
(Billions of dollars, seasonally adjusted at an annual rate)

	May 1976	Per Cent Change (compound annual rate)		
		May 75- May 76	Jan. 76- Apr. 76	Apr. 76- May 76
Total Personal Income	1,357.2	11.5	10.3	10.3
Wage & Salary Disbursements	871.5	10.7	8.8	10.8
Government	185.3	7.4	5.2	7.4
Private	686.2	11.6	9.9	11.7
Manufacturing	234.2	13.9	10.6	8.0
Other	452.0	10.5	9.5	13.7
Transfer Payments	188.6	11.4	10.1	-3.7
Other Income	351.4	13.5	13.4	16.7

Auto prices. Two major auto manufacturers (GM and Chrysler) have given indications, in the form of price protection notification to dealers taking orders from fleet buyers, that the increase on 1977 model cars and trucks may be as high as 6 per cent, about \$300 on the

average for cars. Ford, which followed GM last year, has so far announced similar pricing plans only for heavy-duty trucks and options, also 6 per cent averaging about \$750 and \$160, respectively, per vehicle.

It has been customary to give such "price protection" guarantees by early summer to permit dealers to take firm advance orders from fleet buyers without fear of loss from larger manufacturers' price rises than anticipated. Last year's figure was also 6 per cent on cars; the actual increase varied widely among models but averaged lower.

Observers differ on the likelihood of a 6 per cent increase. Expectations of a lower advance are predicated on a relatively moderate wage settlement; the "mix" of auto sales should be more favorable to profit margins than last year and caution about consumer confidence could limit the advance. However, other analysts point to increases in materials prices and improved demand. In any case, increases are expected to be higher on intermediate models, currently in strong demand.

A 6 per cent price increase on all cars and trucks would contribute about 0.3 percentage points to the total level of the WPI. The effect is usually concentrated in October. New cars have a lower weight in the CPI--about 2 per cent--and the increase is usually spread over several months, varying with the rate of introduction of new models and with changes in dealers' discounts. Both the WPI and CPI also reflect the BLS adjustment for quality which may be significant this year.

The Domestic Financial Economy

Mortgage market. According to the HUD (FHA) opinion survey, average interest rates on new commitments for conventional new- and existing-home mortgages rose by 10 basis points during May to 9.00 per cent and 9.05 per cent, respectively. Yields on FHA-insured new-home mortgages for immediate delivery in the private secondary market increased by 21 basis points to 9.03 per cent--implying discounts over 4 points on 8-1/2 per cent FHA mortgages at the end of May. These rate movements are generally consistent with the primary and secondary mortgage market series reported in the Greenbook.

AVERAGE RATES AND YIELDS ON NEW-HOME MORTGAGES
(HUD-FHA Field Office Opinion Survey)

End of Month	Primary market		Secondary market 1/		
	Conventional loans		FHA-insured loans		Discounts (points)
	Level 2/ (per cent)	Spread 4/ (basis points)	Level 3/ (per cent)	Spread 4/ (basis points)	
1975-Low	8.90 (Mar.)	-70 (Mar.)	8.69 (Mar.)	-91 (Mar.)	2.4 (Dec.)
High	9.25 (Sept., Oct.)	+15 (Jan.)	9.74 (Sept.)	+31 (Oct.)	6.2 (Aug.)
1976-Jan.	9.05	+39	9.06	+40	2.4
Feb.	9.00	+42	9.04	+46	2.2
Mar.	8.95	+42	n.a.	n.a.	n.a.
Apr.	8.90	+32	8.82	+24	2.5
May.	9.00	+ 5	9.03	+ 8	4.1

- 1/ Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates on FHA-insured loans.
- 2/ Average contract rates (excluding fees on points) on commitments for conventional first mortgage loans, rounded to the nearest 5 basis points.
- 3/ Average gross yield (before deducting servicing costs) to investors on 30-year minimum-downpayment FHA-insured first mortgages for immediate delivery in the private secondary market (excluding FNMA), assuming prepayment in 15 years.
- 4/ Average gross mortgage rate or yield minus average yield on new issues of Aaa utility bonds in the last week of the month.

INTEREST RATES
(One day quotes - in per cent)

	1976			
	Highs	Lows	May 17	June 17
<u>Short-Term Rates</u>				
Federal funds (wkly. avg.)	5.54(6/2)	4.70(2/18)	5.28(5/19)	5.47(6/16)
3-month				
Treasury bills (bid)	5.57(6/2)	4.68(1/29)	5.22	5.38
Comm. paper (90-119 day)	6.00(6/15)	5.00(4/29)	5.38	5.88
Bankers' acceptances	5.95(6/2)	4.80(4/21)	5.55	5.75
Euro-dollars	6.81(6/1)	5.25(1/30)	6.00	6.25
CD's (NYC) 90 day				
Most often quoted new	5.75(6/16)	4.88(4/21)	5.50(5/19)	5.75(6/16)
6-month				
Treasury bills (bid)	5.96(5/27)	4.97(1/29)	5.69	5.75
Comm. paper (4-6 mo.)	6.00(6/17)	5.13(4/29)	5.50	6.00
Federal agencies	6.42(5/27)	5.31(2/2)	6.11	6.27p(6/15)
CD's (NYC) 180 day				
Most often quoted new	6.50(6/2)	5.38(4/21)	6.00(5/19)	6.25(6/16)
1-year				
Treasury bills (bid)	6.39(5/27)	5.27(1/2)	6.02	6.09
Federal agencies	6.86(5/28)	5.82(4/14)	6.64	6.59p(6/15)
CD's (NYC)				
Most often quoted new	6.75(6/16)	6.00(4/28)	6.38(5/19)	6.75(6/16)
Prime municipals	3.70(5/28)	3.00(1/30)	3.55(5/14)	3.45(6/18)
<u>Intermediate and Long-Term</u>				
Treasury coupon issues				
5-years	7.82(5/27)	7.12(4/21)	7.63	7.60
20-years	8.20(5/21)	7.77(4/14)	8.18	8.02
Corporate				
Seasoned Aaa	8.66(1/2)	8.34(4/15)	8.61	8.62(6/16)
Baa	10.34(1/2)	9.70(6/16)	9.75	9.70(6/16)
New Issue Aaa Utility	8.95(5/28)	8.38(4/22)	8.82(5/21)	8.69p(6/18)
Municipal				
Bond Buyer Index	7.13(1/8)	6.54(4/15)	6.91(5/21)	6.85(6/18)
Mortgage--average yield				
in FNMA auction	9.20(6/1)	8.83(4/19)	9.13	9.14(6/14)

The International Developments

U.S. International Transactions. Complete first quarter accounts for U.S. international transactions were presented in a Department of Commerce press release on June 16, 1976. It showed that the U.S. current account shifted to near balance from a net surplus of \$3.1 billion (quarterly rate) in the fourth quarter. The previously announced swing in the merchandise trade balance to a \$1.5 billion deficit, primarily because of an increase in imports of industrial supplies and fuels, was the major element in the shift. Service transactions and unilateral transfers showed relatively minor changes from the fourth quarter.

Data available earlier on first quarter bank-reported capital flows and official transactions have not been substantially revised in this release. Net bank-reported capital outflows slowed to \$2.2 billion in the first quarter from \$4.3 billion in the fourth quarter; U.S. reserve assets increased by \$.8 billion compared to a small decline in the fourth; and U.S. liabilities to foreign official agencies increased by nearly \$2 billion, about the same as in the fourth quarter. However, a decision by the Commerce Department to no longer seasonally adjust capital account transactions (a practice that had been generating increasingly questionable results) resulted in the press release figure for U.S. liabilities to foreign official agencies being about \$1 billion lower than the seasonally adjusted estimate used in the Greenbook.

The most notable new piece of information in the press release involves the figure for foreign direct investment in the United States which showed an unusual swing from an inflow of \$1.2 billion in the fourth quarter of 1975 to an outflow of \$.7 billion in the first quarter. This swing largely reflects a special payout of accumulated dividends to a Middle-Eastern oil-exporting country.

As had been anticipated, the statistical discrepancy in the first quarter was an unusually large positive number--\$4.6 billion, perhaps related to speculation against sterling and the lira.

The June 16, 1976 press release incorporates the recent changes in format for reporting U.S. international transactions that have been adopted by the Commerce Department.

The new Commerce Department data are reflected in the following revised table IV-T-1, which appeared in the Greenbook.

U.S. International Transactions
(In millions of dollars)

	1 9 7 5		1 9 7 6			
	YEAR	Q-4	Q-1	Feb.	Mar.	Apr.
1. Trade balance	8,983	2,199	-1,508	-227	-603	-450
2. Merchandise exports	107,133	27,655	26,939	8,777	9,285	9,279
3. Merchandise imports	98,150	25,456	28,447	9,004	9,888	9,729
4. Net service transactions	7,286	2,137	2,566			
5. <u>Balance on goods and services 1/</u>	16,269	4,336	1,058			
6. <u>Remittances and pensions</u>	-1,727	-433	-480			
7. <u>Gov't grants and capital, net</u>	-4,624	-1,271	137			
8. <u>Bank-reported private capital, net change</u>	-9,936	-4,423	-2,382	-67	-2,059	3,049
9. Claims on foreigners (inc.-)	(-13,238)	(-5,287)	(-3,714)	(-2,573)	(95)	(-2,314)
10. Short-term	-10,887	-4,344	-3,469	-2,474	359	-2,077
11. Long-term	-2,351	-943	-245	-99	-264	-237
12. Liabilities to foreigners (inc.+)	(3,302)	(864)	(1,332)	(2,506)	(-2,154)	(5,363)
13. Long-term liabilities	-355	91	166	-40	179	24
14. Short-term liabilities 2/	3,657	773	1,166	2,546	-2,333	5,339
15. to commercial banks abroad	(-502)	(-746)	(916)	(2,204)	(-2,671)	(4,715)
16. (of which liab. to branches)	(231)	(1,234)	(-831)	(531)	(-2,278)	(3,184)
17. to other private foreigners	(1,853)	(863)	(150)	(313)	(173)	(673)
18. to int'l and regional organizations	(2,306)	(656)	(100)	(29)	(165)	(-49)
<u>Private transactions in securities, net</u>	-3,479	-1,144	-1,481	-947	-591	-243
U.S. purchases (-) of foreign securities	(-6,206)	(-2,361)	(-2,507)	(-1,201)	(-974)	(-377)
of which: New bond issues	(-7,168)	(-2,573)	(-2,824)	(-1,296)	(-1,039)	(-470)
22. Foreign purch. (+) of U.S. corp. securities	(2,727)	(1,217)	(1,026)	(254)	(383)	(134)
23. Stocks 3/	3,205	944	942	194	425	154
24. Bonds (includes U.S. Govt. agencies)	-478	273	84	60	-42	-20
25. <u>U.S. direct investment abroad, (inc.-)</u>	-6,307	-1,694	-1,580			
26. <u>Foreign direct investment in U.S., (inc.+)</u>	2,437	1,229	-689			
27. <u>Nonbank-reported: short-term claims (inc.-)</u>	-925	-437	-180			
28. <u>long-term claims, (inc.-)</u>	-384	-322	-84			
29. <u>liabilities, (inc.+)</u>	78	-161	24			
30. <u>Changes in liab. to foreign official agencies</u>	4,604 ^{4/}	2,088 ^{4/}	1,856	800	209	904
31. OPEC countries (inc.+)	5,677	1,780	1,500	219	1,058	372
32. of which: stocks	(1,469)	(519)	(531)	(177)	(157)	(256)
33. Other countries (inc.+)	-1,073 ^{4/}	308 ^{4/}	356	581	-849	532
34. <u>Changes in U.S. reserve assets (inc.-)</u>	-607	89	-773	-39	-330	-521
35. Gold	--	--	--	--	--	--
36. Special drawing rights	-66	-21	-45	--	--	14
37. Reserve position in the IMF	-466	-57	-237	-76	-55	-170
38. Convertible currencies	-75	167	-491	37	-275	-365
39. <u>Statistical discrepancy</u>	4,602	2,143	4,574			
<u>Memo:</u>						
40. Official settlements balance, N.S.A.	-3,997	-2,177	-1,083	-761	121	-383
41. O/S bal. excluding OPEC, N.S.A.	1,680	-397	417	-542	1,179	-11

Lines 1 through 7 are seasonally adjusted.

p = preliminary

1/ Differs from "net exports" in the GNP account. The GNP basis excludes U.S. Government rest payments for foreigners from service imports and special military exports to Israel.

2/ Includes transactions in U.S. Treasury bonds and notes.

3/ Excludes OPEC transactions which are included in liabilities to foreign official agencies.

4/ Excludes a \$250 million increase in liabilities resulting from the revaluation of System swap liabilities to Belgium and Switzerland.

SUPPLEMENTAL APPENDIX A*
BANK CREDIT REVISION*

The seasonally adjusted series on commercial bank credit and its major components have been revised. The revised data were used in this month's analysis of financial developments. The revision included the updating of seasonal adjustment factors and the usual benchmark revision that incorporates the latest Call Report data, December 31, 1975, for nonmember banks. Revisions in seasonal factors affected the seasonally adjusted data from 1968 to date, with principal changes in the more recent years. The benchmark revision covered the July 1975 to April 1976 period.

The principal effect of the combined benchmark and seasonal revisions was to raise the level of total bank credit in the fourth quarter of 1975 and to lower it in the first quarter of 1976. Total loans and investments increased at an annual rate of 4.6% in the October-December 1975 period which was 1.5 percentage points higher than previously estimated. In the subsequent January-March 1976 period, credit growth was at a rate of 5.5% or 1.8 percentage points lower than indicated earlier. Revisions in both total loans and holdings of U.S. Government securities followed a similar pattern and largely accounted for the changes in total credit, while those in holdings of other securities were small. Revisions in business loans, alone, were large and were downward in both late 1975 and early 1976. These loans were unchanged in the fourth quarter of 1975 compared with an estimated increase of 2.5%. In the first quarter of 1976, the decline, at an annual rate of 7.4%, was 2.1 percentage points larger than estimated earlier.

According to the December Call Report data, growth in commercial bank credit was at a somewhat faster pace in the second half of 1975 than the partially estimated data had indicated. Total loans and investments outstanding on December 31, 1975 were raised \$2.5 billion in this revision (Table 1). This increase reflected almost entirely more substantial growth in bank loans, which were \$2.3 billion higher at the end of 1975 than estimated earlier (Table 2). Holdings of U.S. Treasury securities were nominally lower than previously estimated while holdings of other securities--principally municipals and Federal agency issues--were slightly higher (Table 3 and 4).

* The revised seasonal factors were prepared by Edward R. Fry and Mary F. Weaver, and the benchmark revisions by Mary Jane Warrington, Banking Section, Division of Research and Statistics.

Revisions in the unadjusted data reflect corrections for two sources of error in the original monthly estimates (in addition to estimating errors in the San Francisco District discussed below):

1. Nonmember bank figures for loans were estimated too low. These estimates were derived initially by applying nonmember/country member bank ratios from the June 1975 Call Report to loans reported for subsequent months by country member banks. The December Call ratios turned out to be higher than those for June, reflecting more rapid growth in loans at nonmember banks than at country member banks in the six-month period. This upward revision in nonmember bank loans was allocated to earlier months back to July 1975, and the new December Call ratios were carried forward in monthly estimates for 1976.

2. Data reported earlier by member banks on form FR 635, which are the principal basis for the all-commercial bank estimates, also were revised by substantial amounts on December 31, 1975. Loans (including interbank) as originally reported by member banks for this date were understated more than \$2 billion according to Call Report data. This reporting error accounted for half of the upward revision in the all-commercial bank estimates for total loans. Most of the error was at the larger member banks, while country member bank data were reasonably accurate. Only on the infrequent occasions when the last-Wednesday of June or December coincides with the Call date, as was the case on December 31, 1975, can such errors be detected, and sometimes they are substantial. However, on such occasions, another source of error in bank credit estimates--"window dressing"--is eliminated. This error is the difference between estimates based on reported data for the last-Wednesday of June or December and the Call Report figures for the last day of June or December that are available after a long lag. Often errors in estimating "window dressing" have contributed heavily to overall errors in the credit series as measured on benchmark dates.

The bank loan component of the total bank credit series is estimated on the basis of data reported by member banks including domestic interbank loans. However, estimated interbank loans are excluded from the adjusted all-commercial bank credit series. Interbank loans of nonmember banks are estimated by applying a nonmember/country member bank ratio from the Call Report to current data from country banks, as in the case of total loans. On December 31, 1975, Call data for interbank loans exceeded the estimated data by \$1.3 billion. However, since interbank loans are subtracted from total loans, the underestimate of interbank loans partially offset the reporting error mentioned above.

In addition to the effects of the usual benchmark revision, patterns of change between the old and new series were affected by a relatively large concurrent revision in basic member bank data from which monthly bank credit estimates are derived. Monthly figures for member

banks in the San Francisco District are partially estimated as initially reported, and revisions in those data for the July to December 1975 period were incorporated into the series at the time of the benchmark revision. Therefore, "changes due to benchmark" as noted on the tables actually reflect the combined changes of the benchmark and the San Francisco revision.

Among the major loan categories, business loans were \$2.2 billion lower on December 31 than had been estimated and real estate loans were \$1.3 billion higher (Tables 5 and 6). Consumer loans, which are part of consumer credit reports, were not affected by the benchmark revision. Revisions in security, nonbank financial, and agricultural loans were all upward, but by relatively small amounts. The upward adjustment in the residual "all other loans," however, was large. Actual data for these loan categories are available on a current basis only from large weekly reporting banks. Estimates for other commercial banks are made largely on the basis of the movement of total loans at the smaller banks, the trend of business and other loans as indicated by the most recent Call Report, and patterns for previous years established in the monthly benchmarking of the series.

The revision in business loans over the second half of 1975 was relatively large by historical standards and was also one of the few instances in which the outstanding level was reduced. In most past revisions, adjustments in business and real estate loans--the two largest loan categories--have been upward, reflecting the fact that revisions in total loans have practically always been upward. In the first quarter of 1976, business loans were reduced by an additional \$900 million. About \$600 million of this reduction reflected revisions in San Francisco District weekly reporting data associated with adjustments to the March 1976 Call.^{1/}

The revisions in seasonal factors were largest for the most recent years, with some minor revisions affecting the bank credit series back to 1968.^{2/} The new factors tended to reduce seasonally adjusted growth in total bank credit in the first quarter and to increase it in the second and fourth quarters. For the fourth quarter of 1975 the upward revision was \$1.3 billion, and for the first quarter of 1976, the downward revision was \$2.5 billion. These changes were reflected mainly

^{1/} First quarter changes used here are adjusted to exclude a break in series due to portfolio reclassifications in the Chicago and San Francisco Districts which lowered the level of business loans by \$1.2 billion in March 1976.

^{2/} Seasonal factors used prior to this revision were determined basically from the late 1973 seasonal review. However, by late 1975, the 1973 factors were being modified somewhat to take account of changing seasonal patterns for business loans, total loans, and total bank credit. In the current seasonal revision, these changes were carried back to earlier years; so the impacts of seasonal changes shown for recent months in Tables 1, 2, and 5 differ somewhat from those for comparable months of earlier years.

in bank investments in U.S. Government securities and in loans. U.S. Government securities holdings were raised in the fourth quarter of 1975, with a partially offsetting reduction in other securities. In the first quarter of this year, the revisions reduced growth in both U.S. Government security holdings and in total loans, with most of the revision in loans occurring in security loans and loans to nonbank financial institutions.

Table 1

Total Loans and Investments ^{1/2/}
(Dollar changes in billions; annual rates in percent)

	Old Seasonally Adjusted Series	Changes Due To:		New Seasonally Adjusted Series	Annual Rates	
		Benchmark	Seasonal Factor		Old	New
1975--May	3.0	-	-1.1	1.9	5.1	3.2
June	3.0	-	1.4	4.4	5.1	7.5
July	1.2	-1.1	.5	.6	2.0	1.0
August	4.0	1.5	-2.0	3.5	6.8	5.9
September	1.2	.6	1.6	3.4	2.0	5.7
October	3.6	.2	-	3.8	6.0	6.3
November	6.3	.2	-.6	5.9	10.5	9.8
December	-4.4	1.1	1.9	-1.4	-7.2	-2.3
Year	29.7	2.5	-1.9	30.3	4.3	4.4
1st Half	17.8	-	-3.3	14.5	5.1	4.2
2nd Half	11.9	2.5	1.4	15.8	3.4	4.5
1st Quarter	9.8	-	-5.2	4.6	5.7	2.6
2nd Quarter	8.0	-	1.9	9.9	4.6	5.7
3rd Quarter	6.4	1.0	.1	7.5	3.6	4.2
4th Quarter	5.5	1.5	1.3	8.3	3.1	4.6
1976--January	3.2	-.7	-.4	2.1	5.3	3.5
February	4.9	-.4	-.9	3.6	8.1	5.9
March	5.0	.4	-1.2	4.2	8.2	7.4
April	3.0	.3	-	3.3	4.9	5.4
1st Quarter	13.1	-.7	-2.5	9.9	7.3	5.5

1/ Last Wednesday of month series

2/ Includes loans sold outright to banks' own foreign branches, nonconsolidated nonbank affiliates of the bank, the banks' holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

Table 2

Total Loans ^{1/2/}

(Dollar changes in billions; annual rates in percent)

	Old Seasonally Adjusted Series	Changes Due To:		New Seasonally Adjusted Series	Annual Rates	
		Benchmark	Seasonal Factor		Old	New
1975--May	-2.1	-	-.6	-2.7	-5.0	-6.5
June	-2.9	-	1.5	-1.4	-7.0	-3.4
July	-.5	-.6	-	-1.1	-1.2	-2.7
August	1.1	1.2	-2.0	.3	2.7	.7
September	-.3	.5	1.1	1.3	-.7	3.1
October	3.9	.2	-.4	3.7	9.5	8.9
November	3.9	.3	-.7	3.5	9.4	8.4
December	-3.6	.7	1.0	-1.9	-8.6	-4.5
Year	-3.9	2.3	-2.1	-3.7	-.8	-.7
1st Half	-8.4	-	-1.1	-9.5	-3.3	-3.8
2nd Half	4.5	2.3	-1.0	5.8	1.8	2.3
1st Quarter	-	-	-4.1	-4.1	-	-3.2
2nd Quarter	-8.4	-	3.0	-5.4	-6.7	-4.3
3rd Quarter	.3	1.1	-.9	.5	.2	.4
4th Quarter	4.2	1.2	-.1	5.3	3.4	4.3
1976--January	.6	-.3	-	.3	1.4	.7
February	1.0	-.3	-	.7	2.4	1.7
March	2.4	.3	-1.1	1.6	5.8	3.8
April	-.4	.2	1.0	.8	-1.0	1.9
1st Quarter	4.0	-.3	-1.1	2.6	3.2	2.1

1/ Last Wednesday of Month series

2/ Includes loans sold outright to banks' own foreign branches, nonconsolidated nonbank affiliate of the bank, the banks' holding company (if not a bank) and nonconsolidated nonbank subsidiaries of the holding company.

Tab 3

U.S. Treasury Securities ^{1/}
(Dollar changes in billions; annual rates in percent)

	Old Seasonally Adjusted Series	Changes Due To:		New Seasonally Adjusted Series	Annual Rates	
		Benchmark	Seasonal Factor		Old	New
1975--May	4.2	-	.2	4.4	78.8	83.8
June	4.2	-	-.1	4.1	73.9	73.0
July	1.0	-.2	-	.8	16.6	13.4
August	2.2	.1	.4	2.7	36.0	44.8
September	1.5	.1	.1	1.7	23.8	27.2
October	-2.0	-.2	1.5	-.7	-31.1	-11.0
November	1.2	-	-.4	.8	19.2	12.6
December	1.6	.1	.9	2.6	25.2	40.6
Year	29.1	-.1	-	29.0	59.6	57.5
1st Half	23.6	-	-2.5	21.1	96.7	83.7
2nd Half	5.5	-.1	2.5	7.9	15.2	22.1
1st Quarter	9.7	-	-1.8	7.9	79.5	62.7
2nd Quarter	13.9	-	-.7	13.2	95.0	90.6
3rd Quarter	4.7	-	.5	5.2	26.0	29.1
4th Quarter	.8	-.1	2.0	2.7	4.2	14.1
1976--January	2.3	-.1	-.6	1.6	35.4	24.2
February	4.2	-.1	-.7	3.4	62.8	50.0
March	3.9	.1	-.2	3.8	55.4	55.0
April	3.0	-	-1.2	1.8	40.8	24.5
1st Quarter	10.4	-.1	-1.5	8.8	53.4	44.3

^{1/} Last Wednesday of Month series

Other Securities ^{1/}
(Dollar changes in billions; annual rates in percent)

	Old Seasonally Adjusted Series	Changes Due To:		New Seasonally Adjusted Series	Annual Rates	
		Benchmark	Seasonal Factor		Old	New
1975--May	.9	-	-.7	.2	7.7	1.7
June	1.7	-	-	1.7	14.5	14.5
July	.7	-.2	.4	.9	5.9	7.5
August	.7	.2	-.4	.5	5.9	4.2
September	-	-	.4	.4	-	3.3
October	1.7	.1	-1.0	.8	14.2	6.6
November	1.2	-	.4	1.6	9.9	13.2
December	-2.4	.3	-	-2.1	-19.6	-17.1
Year	4.5	.4	.1	5.0	3.2	3.6
1st Half	2.6	-	.3	2.9	3.7	4.1
2nd Half	1.9	.4	-.2	2.1	2.7	2.9
1st Quarter	.1	-	.7	.8	.3	2.3
2nd Quarter	2.5	-	-.4	2.1	7.1	6.0
3rd Quarter	1.4	-	.4	1.8	3.9	5.0
4th Quarter	.5	.4	-.6	.3	1.4	.8
1976--January	.3	-.4	.3	.2	2.5	1.7
February	-.3	.1	-.3	-.5	-2.5	-4.1
March	-1.3	-	.1	-1.2	-10.8	-10.0
April	.4	-	.3	.7	3.3	5.9
1st Quarter	-1.3	-.3	.1	-1.5	-3.6	-4.1

^{1/} Last Wednesday of Month series

Table 5

Business Loans ^{1/2/}
(Dollar changes in billions; annual rates in percent)

	Old Seasonally Adjusted Series	Changes Due To:		New Seasonally Adjusted Series	Annual Rates	
		Benchmark	Seasonal Factor		Old	New
1975--May	-1.3	-	-.5	-1.8	-8.5	-11.8
June	-2.7	-	.8	-1.9	-17.8	-12.6
July	1.2	-.8	-.5	-.1	8.0	-.7
August	-.1	.1	-.2	-.2	-.7	-1.3
September	-1.1	-.4	.3	-1.2	-7.3	-8.0
October	1.6	-.4	.3	.9	10.7	6.0
November	.9	-.1	.2	.6	6.0	4.0
December	-1.4	-.6	.5	-1.5	-9.2	-10.0
Year	-5.0	-2.2	-.7	-7.9	-2.7	-4.2
1st Half	-6.1	-	-.3	-6.4	-6.6	-6.9
2nd Half	1.1	-2.2	-.4	-1.5	1.3	-1.7
1st Quarter	-1.6	-	-.8	-2.4	-3.5	-5.1
2nd Quarter	-4.5	-	.5	-4.0	-9.8	-8.7
3rd Quarter	-	-1.1	-.4	-1.5	-	-3.3
4th Quarter	1.1	-1.1	-	-	2.5	-
1976--January	.3	.2	.1	.6	2.0	4.0
February	-.8	-.2	-.3	-1.3	-5.3	-8.7
March	-1.9	-.9	.2	-2.6	-12.7	-17.6
April	-1.0	.2	.1	-.9	-6.8	-6.2
1st Quarter	-2.4	-.9	-	-3.3	-5.3	-7.4

^{1/} Last Wednesday of Month series

^{2/} Includes loans sold outright to banks' own foreign branches, nonconsolidated nonbank affiliates of the bank, the banks' holding company (if not a bank) and nonconsolidated nonbank subsidiaries of the holding company.

Tab 6

Real Estate Loans ^{1/}
(Dollar changes in billions; annual rates in percent)

	Old Seasonally Adjusted Series	Changes Due To:		New Seasonally Adjusted Series	Annual Rates	
		Benchmark	Seasonal Factor		Old	New
1975--May	-	-	-	-	-	-
June	.1	-	-	.1	.9	.9
July	-	.1	-	.1	-	.9
August	-	.1	-.1	-	-	-
September	.1	.2	.1	.4	.9	3.6
October	.6	.2	-	.8	5.5	7.3
November	.3	.3	-	.6	2.7	5.4
December	.5	.4	-	.9	4.5	8.1
Year	2.9	1.3	-	4.2	2.2	3.2
1st Half	1.4	-	-	1.4	2.2	2.2
2nd Half	1.5	1.3	-	2.8	2.3	4.3
1st Quarter	1.0	-	-	1.0	3.1	3.1
2nd Quarter	.4	-	-	.4	1.2	1.2
3rd Quarter	.1	.4	-	.5	.3	1.5
4th Quarter	1.4	.9	-	2.3	4.3	7.0
1976--January	.5	.3	-	.8	4.5	7.2
February	.6	.4	.2	1.2	5.4	10.7
March	.7	.5	-.2	1.0	6.3	8.8
April	.7	.1	-	.8	6.2	6.9
1st Quarter	1.8	1.2	-	3.0	5.4	8.9

^{1/} Last Wednesday of Month series