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September 16, 1977

**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**

September 16, 1977

MONETARY AGGREGATES AND  
MONEY MARKET CONDITIONS

Recent developments

(1) M-1 grew at an annual rate of 5.5 per cent in August, and for the August-September period is projected to increase at a 6.1 per cent annual rate, about one percentage point above the upper end of the Committee's range. Savings deposit inflows to banks strengthened in August and early September, but the time deposit component of M-2 weakened considerably. Accordingly, the M-2 growth projection for the August-September period--at 6.7 per cent--is within the Committee's range, but in the upper half. Deposit growth at thrift institutions was maintained in August at the very rapid July pace. Nonborrowed reserves fell substantially in August, as member banks met a greater portion of their reserve requirements by borrowing at the System's discount window. Following the rise in the discount rate from 5-1/4 to 5-3/4 per cent in late August, member bank borrowing dropped back to around its July level, and nonborrowed reserves are projected to increase rapidly in September.

Growth in Monetary Aggregates  
over August-September period  
(SAAR in per cent)

	<u>Ranges</u>	<u>Latest Estimates</u>
M-1	0 to 5	6.1
M-2	3 to 8	6.7
Memorandum:		Avg. for statement
Federal funds rate	5½ to 6½	<u>week ending</u>
(per cent per annum)		Aug. 17 5.94
		24 5.99
		31 6.02
		Sept. 7 5.97
		14 6.05

(2) In the weeks immediately following the August FOMC meeting, incoming data indicated that M-1 and M-2 were, respectively, growing at rates in the upper half and near the mid-point of their ranges. Consequently, the Desk continued to seek a Federal funds rate of around 6 per cent. More recently, however, as M-1 growth appeared to be exceeding the upper limit of its range, and with M-2 in the upper half of its range, the Desk has sought a firming in the Federal funds rate to around 6-1/8 per cent.

(3) Credit demands generally have been maintained at a high level in recent weeks. In the short-term area, business borrowing in August was somewhat stronger than in July, and the Treasury tapped the bill sector for a substantial sum of new money for the first time since late last year. The Federal Government also has continued to be an active borrower in the coupon market, and bond offerings by corporations and State and local governments--encouraged in part by favorable market conditions--have remained sizable. Moreover, households apparently have continued to raise a large volume of funds in mortgage and consumer credit markets.

(4) The strengthening in short-term credit demands, market response to the large increase of M-1 in the last week of August, and a rise in the Federal funds rate have contributed to an increase in short-term interest rates amounting to as much as 30 basis points since the August FOMC meeting. Long-term rates, on the other hand, have been unchanged or have declined somewhat on balance since mid-August, as demands for bonds from institutional investors have remained strong. Stock prices have edged lower over the intermeeting period.

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

	1975 & 1976 Average	Past Twelve Months Aug. '77 over Aug. '76	Past Six Months Aug. '77 over Feb. '77	Past Three Months Aug. '77 over May '77	Past Month Aug. '77 over July '77
Nonborrowed reserves	1.4	2.0	1.5	0.8	-15.3
Total reserves	0.4	4.8	7.3	10.6	9.9
Monetary Base	6.6	7.9	8.8	9.6	8.1
<u>Concepts of Money</u>					
M-1 (Currency plus demand deposits) <u>1/</u>	5.2	7.1	9.1	9.5	5.5
M-2 (M-1 plus time deposits at commercial banks other than large CD's)	10.4	10.9	9.9	10.5	6.4
M-3 (M-2 plus deposits at thrift institutions)	13.0	12.6	11.3	12.5	11.2
M-4 (M-2 plus CD's)	7.3	9.7	9.1	10.1	6.5
M-5 (M-3 plus CD's)	10.7	11.8	10.7	12.1	11.0
<u>Bank Credit</u>					
Loans and investments of all commercial banks <u>2/</u>					
Month-end basis	6.7	10.8	11.0	10.3	12.3
Average of Wednesdays	6.2	15.3	10.0	10.1	11.8
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-1.1	-0.2	0.0	0.3	0.4
Nonbank commercial paper	0.0	0.2	0.3	0.2	0.2

1/ Other than interbank and U.S. Government

2/ 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 Wednesday statement date 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 three alternative specifications for the Federal funds rate and the monetary aggregates for the forthcoming intermeeting period. (More detailed and longer-run data on the aggregates are shown in the tables on pp. 6 and 7).

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for September-October			
M-1	5½-9½	5-9	4½-8½
M-2	6-10	5½-9½	5-9
Federal funds rate (intermeeting period)	5½-6	5¾-6½	6½-7

(7) Assuming a Federal funds rate centered in the 5¾-6½ per cent range specified for alternative B, M-1 over the September-October period is expected to expand in a 5-9 per cent annual rate range. Incoming data suggest that M-1 will grow at about a 6½ per cent annual rate in September, and the staff would anticipate a slight acceleration to about a 7½ per cent annual rate in October. Strength in the demand for M-1 is likely to be sustained in the fall, given the pick-up in growth of nominal GNP that is projected and recent indications that the public may be reducing the extent to which it is shifting out of M-1 into other liquid assets.

(8) Growth in M-1 from the second to the third quarter will be at about a 9½ per cent annual rate. To restrain M-1 growth over the one year QII '77-QII '78 period to around the mid-point of the 4-6½ per cent range adopted by the Committee in July would require a considerable slowing in M-1 growth in the fourth and subsequent quarters. The required

Alternative Levels and Growth Rates for Key Monetary Aggregates

		<u>M-1</u>			<u>M-2</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>
1977	August	328.3	328.3	328.3	787.7	787.7	787.7
	September	330.1	330.1	330.1	792.2	792.2	792.2
	October	332.4	332.1	331.8	797.9	797.3	796.7
1977	QII	321.0	321.0	321.0	768.3	768.3	768.3
	QIII	328.4	328.4	328.4	787.8	787.8	787.8
	QIV	334.2	333.3	332.9	803.9	801.9	801.0
1978	QI	336.4	335.5	335.2	817.1	814.4	813.8
	QII	337.8	337.8	337.8	827.6	827.1	827.3
<u>Growth Rates</u>							
<u>Monthly:</u>							
1977	September	6.6	6.6	6.6	6.9	6.9	6.9
	October	8.4	7.3	6.2	8.6	7.7	6.8
<u>Quarterly Average:</u>							
1977	QIII	9.2	9.2	9.2	10.2	10.2	10.2
	QIV	7.1	6.0	5.5	8.2	7.2	6.7
1978	QI	2.6	2.6	2.8	6.6	6.2	6.4
	QII	1.7	2.7	3.1	5.1	6.2	6.6
<u>Semi-Annual:</u>							
	QII '77-QIV '77	8.2	7.7	7.4	9.3	8.7	8.5
	QIV '77-QII '78	2.2	2.7	2.9	5.9	6.3	6.6
<u>Annual:</u>							
	QII '77-QII '78	5.2	5.2	5.2	7.7	7.7	7.7
<u>FOMC Range:</u>							
			4-6½				7-9½

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

		<u>M-3</u>			<u>Bank Credit</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>
1977	August	1329.2	1329.2	1329.2	841.1	841.1	841.1
	September	1340.9	1340.9	1340.9	847.4	847.4	847.4
	October	1352.3	1351.4	1350.7	853.7	853.2	852.7
1977	QII	1289.9	1289.9	1289.9	820.5	820.5	820.5
	QIII	1329.3	1329.3	1329.3	840.5	840.5	840.5
	QIV	1365.5	1362.7	1361.3	857.4	857.0	856.2
1978	QI	1393.7	1389.0	1387.5	875.7	875.0	874.2
	QII	1415.6	1413.8	1413.5	892.3	892.0	891.5
<u>Growth Rates</u>							
<u>Monthly:</u>							
1977	September	10.6	10.6	10.6	9.0	9.0	9.0
	October	10.2	9.4	8.8	8.9	8.2	7.5
<u>Quarterly Average:</u>							
1977	QIII	12.2	12.2	12.2	9.8	9.8	9.8
	QIV	10.9	10.1	9.6	8.0	7.9	7.5
1978	QI	8.3	7.7	7.7	8.5	8.4	8.4
	QII	6.3	7.1	7.5	7.6	7.8	7.9
<u>Semi-annual:</u>							
	QII '77-QIV '77	11.7	11.3	11.1	9.0	8.9	8.7
	QIV '77-QII '78	7.3	7.5	7.7	8.1	8.2	8.2
<u>Annual:</u>							
	QII '77-QII '78	9.7	9.6	9.6	8.8	8.7	8.7
<u>FOMC Range:</u>							
			8½-11				7-10

constraint on reserves would entail further increases in the funds rate. If the funds rate were to begin rising by mid-October, and reached  $7\frac{1}{4}$  per cent by the end of the year, M-1 growth in the fourth quarter may be at around a 6 per cent annual rate. The effects on monetary growth would be more pronounced in the first half of next year, given the lagged relationship between interest rates and money demand. We have assumed that the  $7\frac{1}{4}$  per cent funds rate would lead to the  $2\frac{1}{2}$ -3 per cent annual rate of growth in M-1 during the first half of 1978 that is necessary to meet the mid-point of the FOMC's current longer-run range, but it is quite possible we may be underestimating the strength of money demand, given GNP, and that higher interest rates would be required.

(9) Under alternative B, in the September-October period M-2 is expected to expand in a  $5\frac{1}{2}$ - $9\frac{1}{2}$  per cent annual rate range, assuming that short-term market interest rates show little change from currently prevailing levels in the period between now and the next meeting. Net inflows of time and savings deposits other than negotiable CD's are expected to be relatively low in September, but to pick up to a pace more consonant with existing interest rate relationships later in the fall. Some of the recent weakness in the time deposit component of M-2 appears to have reflected shifts of funds from maturing "wild card" certificates at banks to higher rate certificates at thrift institutions. Indeed, at nonbank thrift institutions deposit inflows expanded sharply over the summer, as these institutions became more aggressive in seeking deposit funds in view of their large mortgage commitments and in light of uncertainties about their own substantial "wild card" maturities.

(10) But with higher short-term interest rates projected by year-end, and in the first half of 1978, it is likely that growth of interest-bearing deposits at banks and thrift institutions will slow. Assuming a 3-month bill rate of around  $7\frac{1}{2}$  in the early part of next year, and no adjustment in Regulation Q ceiling rates, such deposits may increase at about an 8-9 per cent annual rate during the first two quarters of 1978. This rate of inflow is somewhat higher than might be expected on the basis of past experience with similar interest rate relationships; it reflects the continued sizable rate of expansion in nominal income that is projected for next year. Nonetheless, even with savings inflows reasonably well maintained, large demands for mortgage credit, including takedowns of the very high level of outstanding commitments, would tend to exert substantial pressures on the position of thrift institutions. They would be forced to reduce liquidity and increase short-term borrowing. Under such circumstances, an upward adjustment in the Q ceiling rate might have to be considered.

(11) Alternative C involves a more prompt rise in interest rates than alternative B and somewhat slower monetary growth rates over the balance of this year. It contemplates an increase in the Federal funds rate to the mid-point of a  $6\frac{1}{2}$ -7 per cent range between now and the next Committee meeting. With additional monetary restraint in place somewhat sooner, the staff would expect interest rates to rise a little less over the longer-run than under alternative B.

(12) Between now and the next Committee meeting an upward adjustment in the funds rate to around the  $6\text{-}5/8$  per cent mid-point

of the alternative C range would probably be associated with an increase in the 3-month Treasury bill rate to the  $6\frac{1}{2}$ - $6\frac{1}{2}$  per cent area. Other short-term rates would adjust commensurately, member bank borrowing from the discount window may once again rise substantially, and pressures for another upward adjustment of the discount rate would build. Long-term rates would probably rise for a time in response to the advance in short rates, but in the absence of indications of stronger economic activity or of a worsening of inflationary pressures such rate increases are not likely to be sustained.

(13) An easing in the funds rate to the mid-point of a  $5\frac{1}{2}$ -6 per cent range is encompassed under alternative A. The lower interest rates and more rapid near-term growth in the monetary aggregates would require more upward interest rate pressure, and less monetary growth, in early 1978--as compared with alternatives B and C--if growth in the monetary aggregates over the QII '77-QII '78 period is to remain within the FOMC's longer-run ranges. The projected funds rate pattern for alternative A, as well as the other alternatives, is presented in Appendix I.

(14) Given below are alternatives for the operational paragraphs of the directive. The first formulation, like the directive adopted at the last meeting, places main emphasis on near-term rates of growth in monetary aggregates; it shows--in strike-through form--the specifications adopted at the last meeting. The second formulation places main emphasis on money market conditions. As suggested below, the particular language needed in the opening lines of the money market formulation would depend on the specific conditions sought; the three alternatives shown--calling, respectively, for somewhat easier, prevailing, and somewhat firmer money market conditions--are intended to be associated with the specifications discussed in the preceding section under alternatives A, B, and C.

"Monetary Aggregates" Formulation

The Committee seeks to encourage near-term rates of growth in M-1 and M-2 on a path believed to be reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, at present, it expects the annual growth rates over the ~~August-September~~ SEPTEMBER-OCTOBER period to be within the ranges of ~~0-~~to~~-5~~ \_\_\_\_\_ to \_\_\_\_\_ per cent for M-1 and ~~3-~~to~~-8~~ \_\_\_\_\_ to \_\_\_\_\_ per cent for M-2. In the judgment of the Committee such growth rates are likely to be associated with a weekly-average Federal funds rate of about 6 \_\_\_\_\_ per cent. If, giving approximately equal weight to M-1 and M-2, it appears that growth rates over the 2-month period will deviate significantly from the midpoints of the indicated ranges, the operational objective for the Federal

funds rate shall be modified in an orderly fashion within a range of  $5\frac{3}{4}$  to  $6\frac{1}{4}$  \_\_\_\_\_ to \_\_\_\_\_ per cent.

If it appears during the period before the next meeting that the operating constraints specified above are proving to be significantly inconsistent, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.

"Money Market" Formulation

At this time, the Committee seeks to maintain about the prevailing money market conditions (or to achieve somewhat easier or somewhat firmer money market conditions) during the period immediately ahead, provided that monetary aggregates appear to be growing at approximately the rates currently expected, which are believed to be on a path reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, the Committee seeks to maintain the weekly-average Federal funds rate at about \_\_\_\_\_ per cent, so long as M-1 and M-2 appear to be growing over the September-October period at annual rates within ranges of \_\_\_\_\_ to \_\_\_\_\_ per cent and \_\_\_\_\_ to \_\_\_\_\_ per cent, respectively. If, giving approximately equal weight to M-1 and M-2, it appears that growth rates over the 2-month period are approaching or moving beyond the limits of the indicated ranges, the operational objective for the weekly-average Federal funds rate shall be modified in an orderly fashion within a range of \_\_\_\_\_ to \_\_\_\_\_ per cent.

If it appears during the period before the next meeting that the operating constraints specified above are proving to be significantly inconsistent, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.

Appendix I

Projected Federal Funds Rate

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	QIII	5½	5-7/8	5-7/8
	QIV	6½	6½	6-7/8
1978	QI	7-3/8	7½	7-1/8
	QII	7-5/8	7½	7-1/8

## Appendix II

### Expansion in Reserves Over the Period From QII 1977 to QIV 1977 Consistent with Proposed Alternatives (seasonally adjusted annual rates)

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Nonborrowed Reserves	4.6	-0.1	-0.8
Total Reserves	6.9	6.6	6.5
Monetary Base	8.7	8.5	8.4

The table above shows growth rates for reserve aggregates over the second half of 1977 that are thought to be consistent with the alternatives presented to the Committee. Estimates for the third quarter as a whole indicate that nonborrowed reserves appear to have expanded from the second quarter at a 4.4 per cent annual rate, total reserves at a 9.3 per cent rate, and the monetary base at a 9.6 per cent rate. Thus a considerable slowing in growth of reserves will be needed in the fourth quarter.

Appendix III

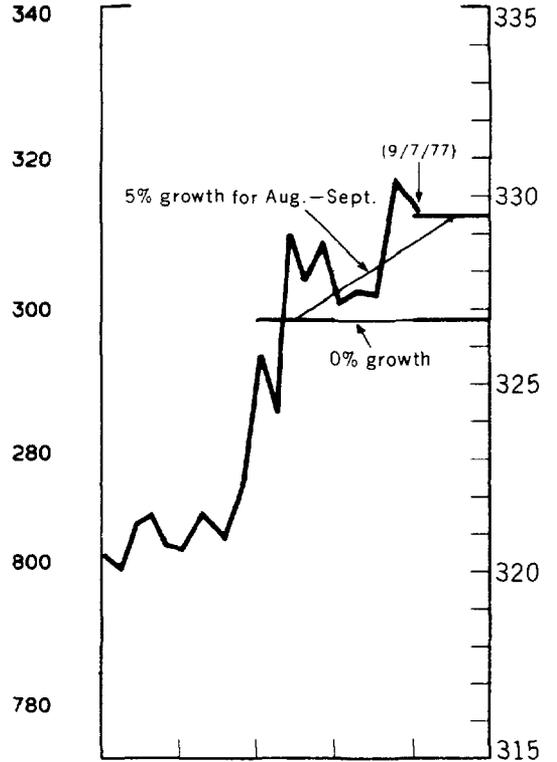
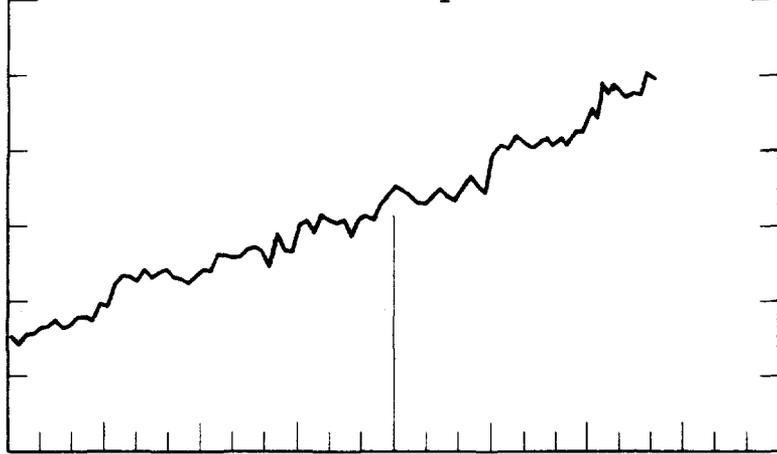
Implied Velocity Growth Rates

<u>V<sub>1</sub> (GNP/M<sub>1</sub>)</u>		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	III	0.7	0.7	0.7
	IV	4.4	5.4	6.0
1978	I	8.4	8.5	8.2
	II	8.8	7.7	7.3
<u>V<sub>2</sub> (GNP/M<sub>2</sub>)</u>				
1977	III	-0.3	-0.3	-0.3
	IV	3.3	4.3	4.8
1978	I	4.6	4.9	4.7
	II	5.2	4.2	3.7

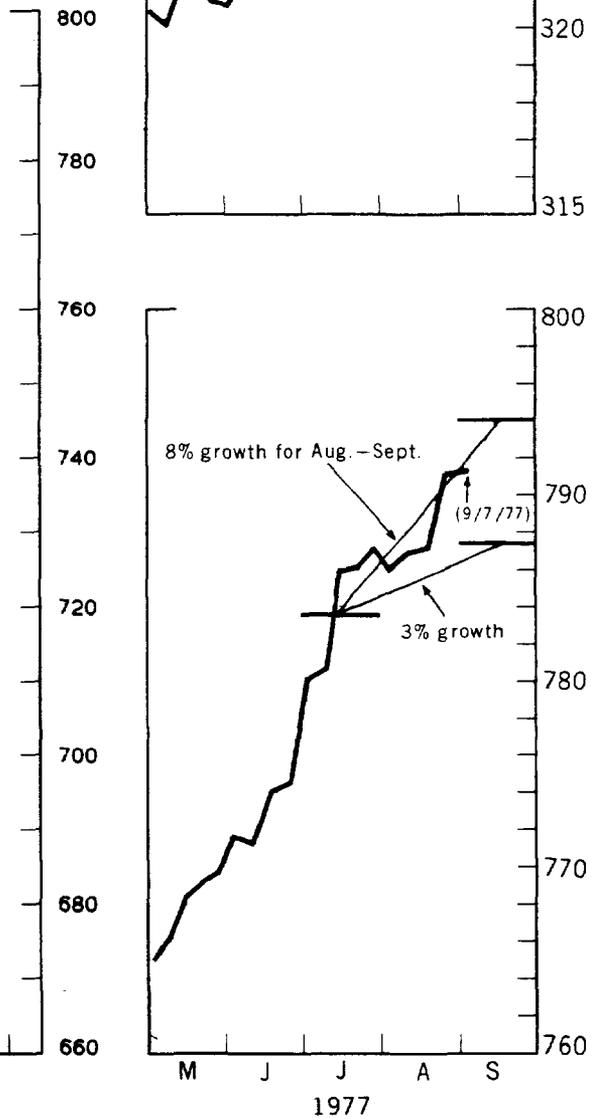
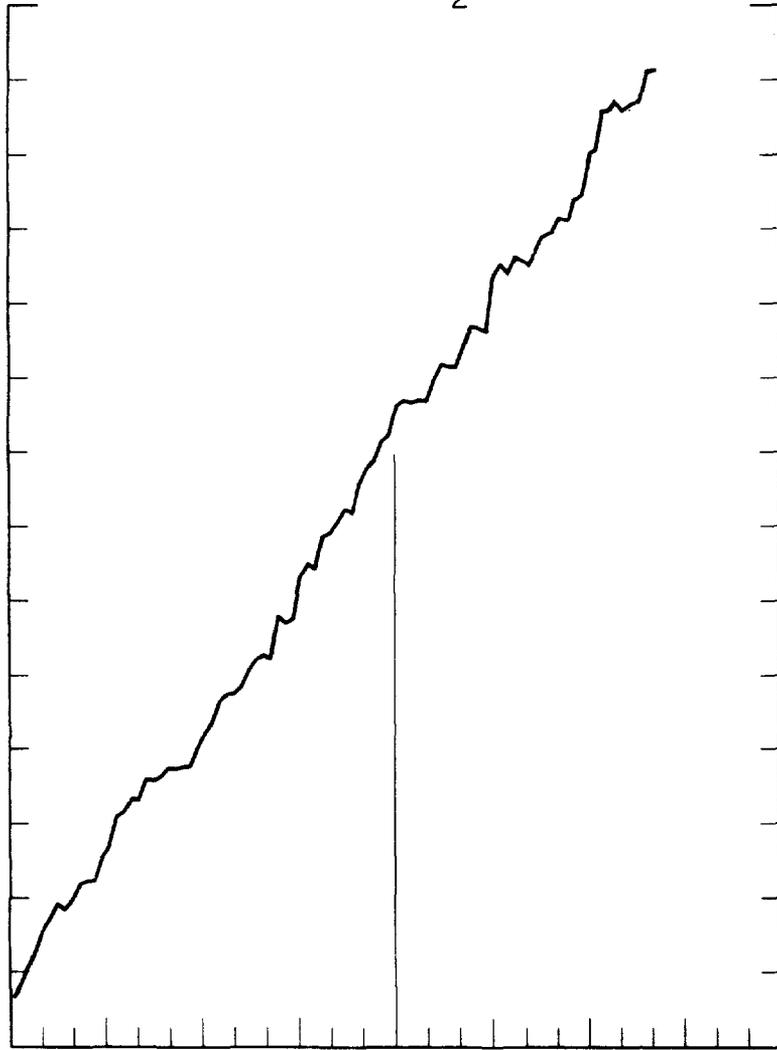
# MONETARY AGGREGATES

NARROW MONEY SUPPLY  $M_1$

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY  $M_2$



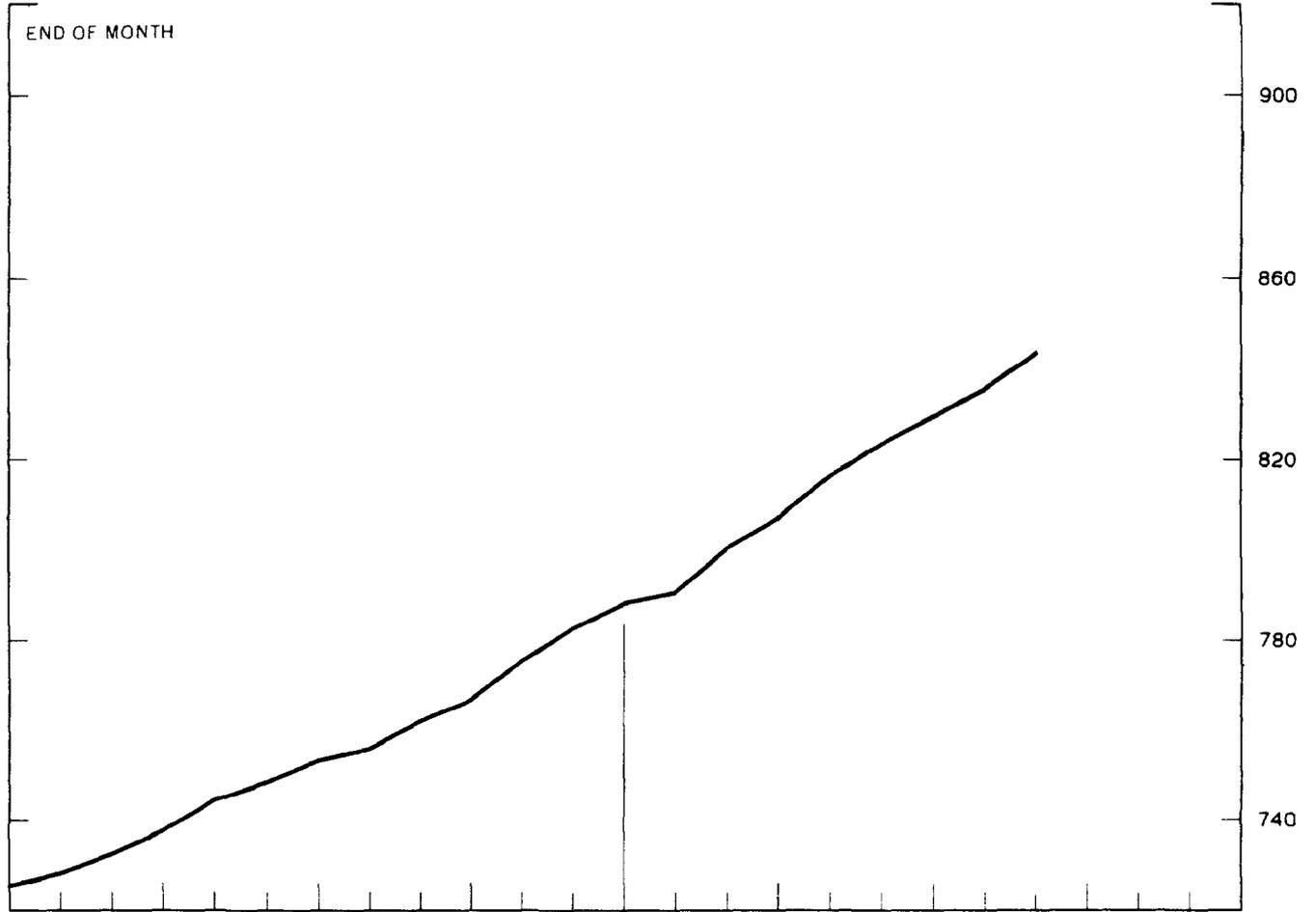
1976

1977

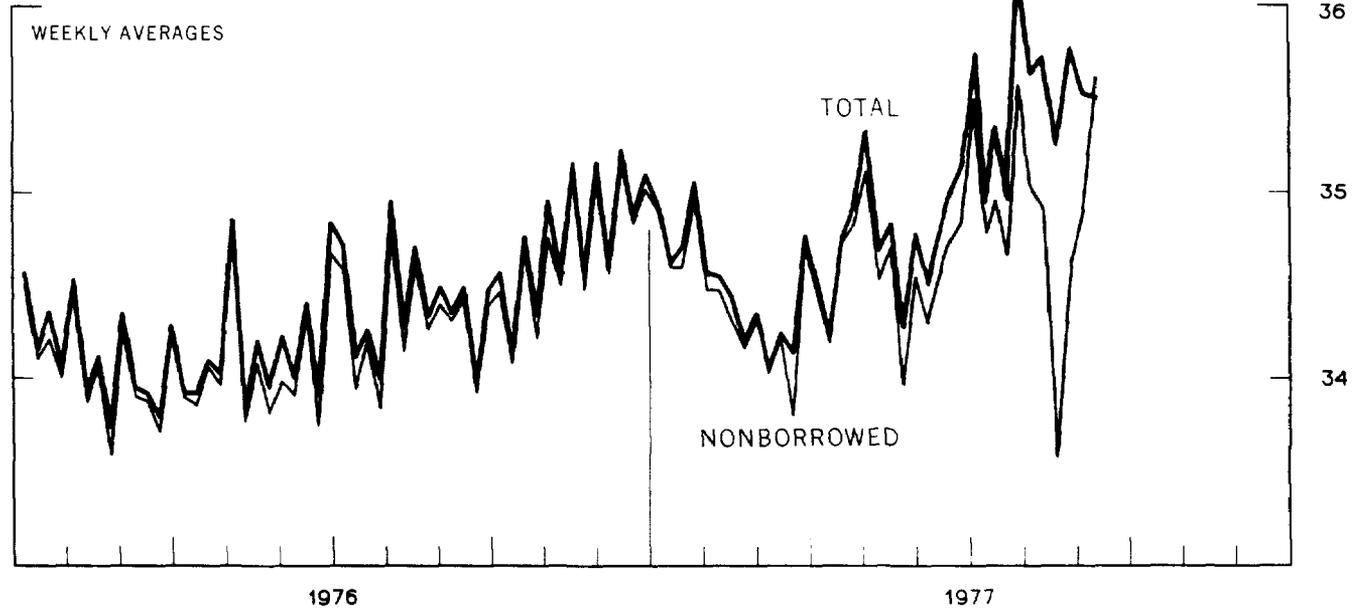
1977

# MONETARY AGGREGATES

BANK CREDIT

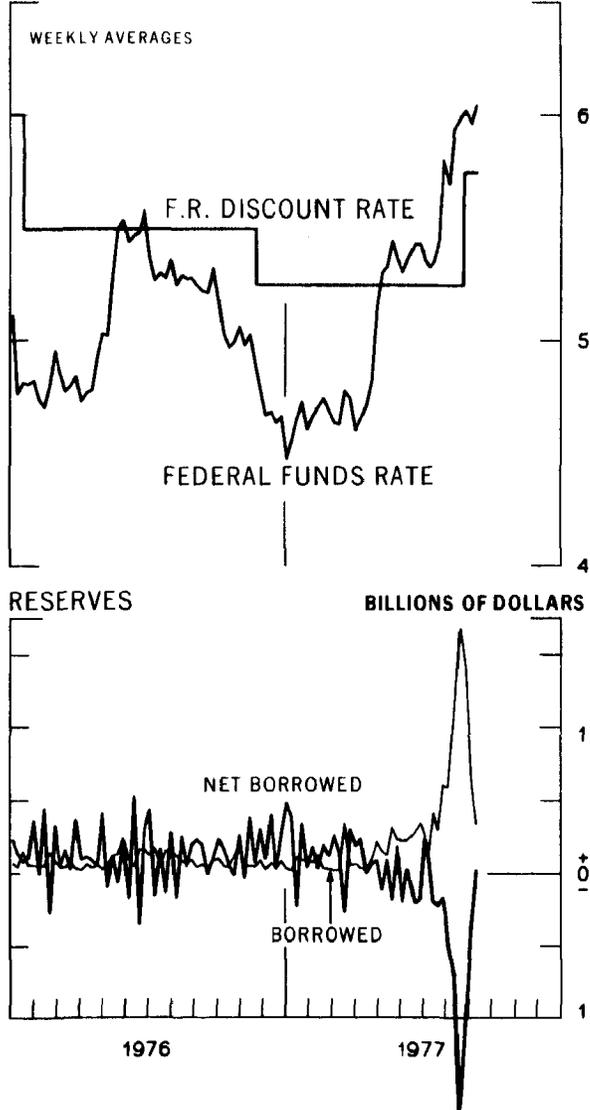


RESERVES

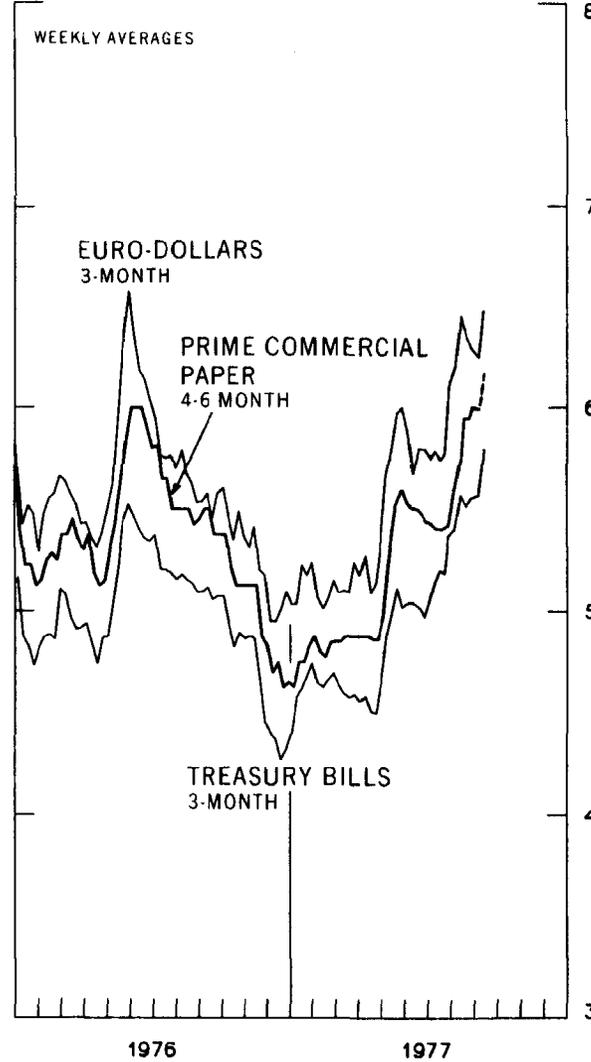


# MONEY MARKET CONDITIONS AND INTEREST RATES

### MONEY MARKET CONDITIONS PER CENT



### INTEREST RATES Short-term PER CENT



### INTEREST RATES Long-term PER CENT

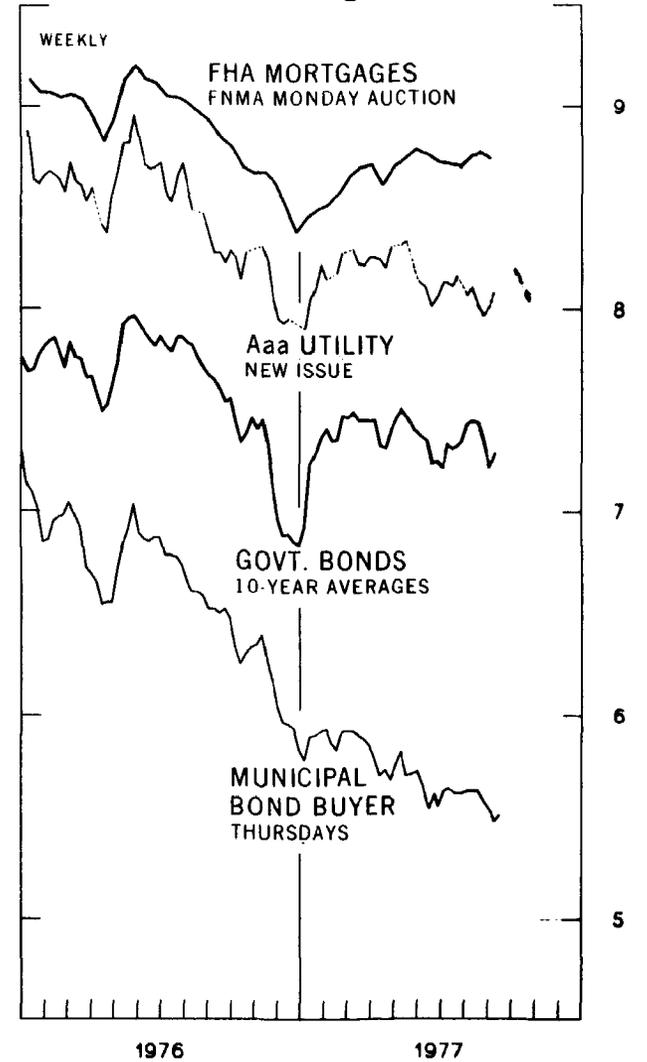


Table 1  
**MONETARY AGGREGATES**

CONFIDENTIAL (FR)  
CLASS II-FOMC  
SEPT. 16, 1977

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	Money Supply		Total U.S. Govt. Deposits 1/	Time & Savings Deposits			CD's	Nondeposit Sources of Funds 2/	
	Narrow (M1)	Broad (M2)		Total	Other Than CD's				
					Total	Savings			Other
	1	2	3	4	5	6	7	8	9
<b>MONTHLY LEVELS--\$BIL</b>									
1977--JUNE	321.9	772.8	10.1	514.8	450.9	212.3	238.6	63.9	55.9
JULY	326.8	783.5	11.8	519.5	456.7	213.8	242.9	62.8	55.9
AUG.	328.3	787.7	10.2	522.5	459.4	216.2	243.1	63.2	58.1
SEPT.	(330.1)	(792.2)	( 10.2)	(525.2)	(462.2)	(218.2)	(243.9)	( 63.0)	
<b>% ANNUAL GROWTH</b>									
<b>QUARTERLY</b>									
1977--1ST QTR.	3.8	8.5	0.0	9.5	11.9	15.4	8.7	-7.0	
2ND QTR.	8.2	8.8	-39.3	9.5	9.4	4.0	14.2	10.9	
3RD QTR.	( 10.2)	( 10.0)	( 4.0)	( 8.1)	( 10.0)	( 11.1)	( 8.9)	( -5.6)	
<b>QUARTERLY-AV</b>									
1977--1ST QTR.	4.2	9.9	-48.0	12.5	14.0	21.9	7.1	1.9	
2ND QTR.	8.4	9.2	-18.2	8.3	9.8	7.9	11.6	-1.9	
3RD QTR.	( 9.2)	( 10.2)	( 7.6)	( 9.8)	( 10.8)	( 7.2)	( 14.1)	( 2.6)	
<b>MONTHLY</b>									
1977--JUNE	4.5	8.1	-56.6	13.2	10.7	-2.3	22.5	30.8	
JULY	18.3	16.6	202.0	11.0	15.4	8.5	21.6	-20.7	
AUG.	5.5	6.4	-162.7	6.9	7.1	13.5	1.0	7.6	
SEPT.	( 6.6)	( 6.9)	( 0.0)	( 6.2)	( 7.3)	( 11.1)	( 3.9)	( -3.8)	
AUG.-SEPT.	( 6.1)	( 6.7)	( -81.4)	( 6.6)	( 7.2)	( 12.3)	( 2.5)	( 1.9)	
<b>WEEKLY LEVELS--\$BIL</b>									
1977-AUG. 3	328.7	787.0	12.6	521.1	458.3	215.2	243.1	62.9	54.4
10	327.2	786.0	10.2	522.0	458.8	215.7	243.0	63.3	59.4
17	327.5	786.8	10.5	522.6	459.3	216.2	243.0	63.3	59.0
24	327.4	787.2	10.7	523.0	459.9	216.6	243.3	63.1	57.4
31	330.4	791.1	8.5	523.8	460.7	216.9	243.9	63.1	58.4
SEPT. 7	329.6	791.3	7.3	524.6	461.7	217.6	244.2	62.8	

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. P - PRELIMINARY  
 1/ INCLUDES TREASURY DEPOSITS AT MEMBER BANKS AND FEDERAL RESERVE BANKS.  
 2/ INCLUDES BORROWINGS FROM OTHER THAN COMMERCIAL BANKS IN THE FORM OF FEDERAL FUNDS PURCHASED, SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE, AND OTHER LIABILITIES FOR BORROWED MONEY, PLUS GROSS LIABILITIES TO OWN FOREIGN BRANCHES (EURODOLLAR BORROWINGS), LOANS SOLD TO AFFILIATES, LOAN RPS, AND OTHER MINOR ITEMS.

TABLE 2  
**BANK RESERVES**  
ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

SEPT. 16, 1977

Period	BANK RESERVES			REQUIRED RESERVES			
	Total Reserves	Nonborrowed Reserves	Monetary Base	Total Required	Private Demand	Total Time Deposits	Gov't. and Interbank
	1	2	3	4	5	6	7
<b>MONTHLY LEVELS--\$MILLIONS</b>							
1977--JUNE	34,862	34,599	122,027	34,714	20,601	12,306	1,808
JULY	35,352	35,029	123,468	35,077	20,998	12,384	1,695
AUG.	35,644	34,583	124,301	35,440	21,218	12,389	1,833
SEPT.	(35,683)	(35,256)	(125,123)	(35,385)	(21,267)	(12,399)	(1,719)
<b>PERCENT ANNUAL GROWTH</b>							
<b>QUARTERLY</b>							
1977--1ST QTR.	-1.8	-2.4	5.1	-1.1	3.7	6.9	
2ND QTR.	6.5	4.6	8.2	7.3	3.9	6.0	
3RD QTR.	( 9.4)	( 7.6)	( 10.1)	( 7.7)	( 12.9)	( 3.0)	
<b>QUARTERLY-AV</b>							
1977--1ST QTR.	2.7	2.6	6.8	3.0	5.0	9.5	
2ND QTR.	3.0	1.9	7.2	3.5	3.0	4.0	
3RD QTR.	( 9.3)	( 4.4)	( 9.6)	( 8.4)	( 10.1)	( 6.4)	
<b>MONTHLY</b>							
1977--JUNE	4.8	2.9	6.4	6.9	-6.1	18.8	
JULY	16.9	14.9	14.2	12.5	23.1	7.6	
AUG.	9.9	-15.3	8.1	12.4	12.6	0.5	
SEPT.	( 1.3)	( 23.4)	( 7.9)	( -1.9)	( 2.8)	( 1.0)	
AUG.-SEPT.	( 5.6)	( 3.9)	( 8.0)	( 5.3)	( 7.7)	( 0.7)	
<b>WEEKLY LEVELS--\$MILLIONS</b>							
1977--AUG. 3	36,156	35,558	124,675	35,732	21,450	12,337	1,946
10	35,635	35,050	123,931	35,532	21,147	12,366	2,019
17	35,705	34,907	124,226	35,503	21,307	12,390	1,806
24	35,258	33,593	124,044	35,230	21,124	12,411	1,694
31	35,756	34,364	124,845	35,369	21,195	12,410	1,764
SEPT. 7	35,525	34,886	124,613	35,267	21,025	12,396	1,846
14	35,951	35,615	125,216	35,561	21,463	12,413	1,685

NOTE: RESERVE SERIES HAVE BEEN ADJUSTED TO REMOVE DISCONTINUITIES ASSOCIATED WITH CHANGES IN RESERVE REQUIREMENT RATIO.  
DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

TABLE 3  
NET CHANGES IN SYSTEM HOLDINGS OF SECURITIES<sup>1/</sup>  
(\$ million, not seasonally adjusted)

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC  
SEPTEMBER 16, 1977

Period	Treasury Bills Net Change 2/	Treasury Coupons Net Purchases 3/					Federal Agencies Net Purchases 4/					Net Change Outright Holdings Total 5/	Net RP's 6/
		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
1976	863	472	3,025	1,048	642	5,187	105	469	203	114	891	6,227	3,607
1976--Qtr. II	2,067	109	796	245	134	1,284	3	140	57	40	240	3,371	1,654
Qtr. III	45	171	881	345	160	1,557	--	--	--	--	--	1,398	392
Qtr. IV	-886	77	794	232	192	1,294	--	41	37	36	115	436	304
1977--Qtr. I	1,164	192	997	325	165	1,680	--	--	--	--	--	2,738	-4,771
Qtr. II	2,126	109	526	171	152	959	--	406	251	68	726	3,666	4,175
1977--Mar.	-368	41	174	46	37	298	--	--	--	--	--	-125	175
Apr.	1,392	20	327	104	38	489	--	173	138	35	346	2,176	2,822
May	-208	--	--	--	--	--	--	--	--	--	--	-254	-3,207
June	942	89	200	68	114	470	--	233	113	33	380	1,744	4,561
July	-1,136	--	--	--	--	--	--	--	--	--	--	-1,159	-2,861
Aug.	636	--	--	--	--	--	--	--	--	--	--	552	-1,353
1977--July 6	-145	--	--	--	--	--	--	--	--	--	--	-159	-5,780
13	-581	--	--	--	--	--	--	--	--	--	--	-590	585
20	-328	--	--	--	--	--	--	--	--	--	--	-335	2,706
27	-82	--	--	--	--	--	--	--	--	--	--	-88	-144
Aug. 3	--	--	--	--	--	--	--	--	--	--	--	-14	-2,009
10	-176	--	--	--	--	--	--	--	--	--	--	-184	-4,604
17	450	--	--	--	--	--	--	--	--	--	--	448	3,347
24	--	--	--	--	--	--	--	--	--	--	--	-1	-1,028
31	362	--	--	--	--	--	--	--	--	--	--	303	3,521
Sept. 7	-603	--	--	--	--	--	--	--	--	--	--	-603	-6,625
14	296	--	--	--	--	--	--	--	--	--	--	271	4,519
21													
28													
LEVEL--Sept. 14 (in billions)	41.1	12.5	27.7	10.5	6.6	57.3	1.3	3.7	1.6	.8	7.3	105.7	-2.1

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 redemptions, maturity shifts, rollovers of maturing coupon issues, and direct Treasury borrowing 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 4  
SECURITY DEALER POSITIONS AND BANK POSITIONS  
(millions of dollars)

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC  
SEPTEMBER 16, 1977

	U.S. Govt. Security Dealer Positions		Underwriting Syndicate Positions		Excess** Reserves	Member Bank Reserve Positions			
	Bills	Coupon Issues	Corporate Bonds	Municipal Bonds		Borrowing at FRB**		Basic Reserve Deficit**	
						Total	Seasonal	8 New York	38 Others
1976--High	8,896	3,046	334	343	655	242	34	-8,161	-12,744
Low	3,668	175	0	34	-180	24	8	-2,367	- 6,908
1977--High	7,234	3,017	278	350	513	1,665p	74p	-8,742	-13,975
Low	1,729	*-1,445	0	125	-111	20	8	-4,234	- 8,570
1976--Aug.	6,174	1,686	85	116	207	100	31	-4,624	- 9,691
Sept.	7,838	1,509	95	172	205	63	31	-5,703	- 9,716
Oct.	6,271	1,832	94	258	221	94	32	-6,428	-10,527
Nov.	6,876	2,418	79	217	257	72	22	-6,289	-11,618
Dec.	8,005	2,443	145	167	274	53	13	-7,168	-11,449
1977--Jan.	6,406	2,320	82	202	265	68	10	-6,421	-11,504
Feb.	4,450	1,650	72	226	198	72	12	-5,604	-11,503
Mar.	4,906	972	103	162	214	103	13	-5,661	-10,912
Apr.	4,567	696	101	173	192	73	14	-6,586	-11,409
May	3,072	123	20	228	213	206	30	-5,693	-10,175
June	4,752	206	142	217	154	262	54	-5,341	-10,332
July	3,916	-278	143	209	275	323	60	-6,391	-11,012
Aug.	*2,542	*679	71	199	204p	1,084p	102p	-5,583p	-11,425p
1977--July 6	4,617	800	192	230	494	265	58	-5,889	- 8,839
13	4,437	80	165	191	264	160	52	-7,632	-12,534
20	3,927	-640	148	145	212	406	56	-6,075	-12,608
27	3,777	-634	67	269	74	295	69	-5,735	-10,453
Aug. 3	2,176	1,265	76	229	424	598	69	-6,675	- 9,792
10	1,910	-494	78	202	103	585	74	-6,458	-11,765
17	2,171	-1,445	52	204	202	901	99	-5,534	-12,313
24	*3,338	*-1,231	76	161	28	1,665	116	-4,969	-12,161
31	*2,906	*-379	69	182	387p	1,392p	131p	-4,903p	-10,161p
Sept. 7	*4,562	*263r	96	183	258p	637p	114p	-7,338p	-11,846p
14	*5,080	*-268	150p	200p	367	337p	108p	-7,872p	-13,150p
21									
28									

NOTE: Government security dealer trading positions are on a commitment basis. Trading positions, which exclude Treasury securities financing by repurchase agreements maturing in 16 days or more, are indicators of dealer holdings available for sale over the near-term. Underwriting syndicate positions consist of 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.

r Revised.

TABLE 5  
SELECTED INTEREST RATES  
(per cent)

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC  
SEPTEMBER 16, 1977

	Short-term						Long-term								
	Federal Funds (1)	Treasury	Bills	Commercial Paper 90-119 Day	CD's New Issue-NYC		U.S. Govt.-Constant Maturity Yields			Corp.-Aaa Utility		Municipal	Home Mortgages		
		90-Day (2)	1-Year (3)	90-119 Day (4)	60-Day (5)	90-Day (6)	3-yr (7)	7-yr (8)	20-yr (9)	New Issue (10)	Recently Offered (11)	Bond Buyer (12)	Primary Conv. (13)	FNMA Auc. (14)	GNMA Sec. (15)
1976--High	5.58	5.53	6.32	5.90	5.63	5.75	7.52	7.89	8.17	8.95	8.94	7.13	9.10	9.20	8.45
Low	4.63	4.27	4.62	4.63	4.40	4.50	5.65	6.33	7.23	7.93	7.84	5.83	8.70	8.39	7.57
1977--High	6.05	5.80	6.14	6.01	5.91	6.00	6.85	7.31	7.78	8.34	8.33	5.93	8.95	8.79	8.08
Low	4.47	4.41	4.67	4.63	4.48	4.63	5.83	6.59	7.26	7.90	7.95	5.55	8.65	8.46	7.56
1976--Aug.	5.29	5.14	5.64	5.35	5.23	5.31	6.86	7.58	7.91	8.52	8.50	6.61	9.00	8.99	8.30
Sept.	5.25	5.08	5.50	5.33	5.11	5.24	6.66	7.41	7.78	8.29	8.33	6.51	8.98	8.88	8.10
Oct.	5.03	4.92	5.19	5.10	4.90	5.04	6.24	7.16	7.70	8.25	8.24	6.30	8.93	8.75	7.98
Nov.	4.95	4.75	5.00	4.98	4.84	4.94	6.09	6.86	7.64	8.17	8.18	6.29	8.81	8.66	7.93
Dec.	4.65	4.35	4.64	4.66	4.68	4.50	5.68	6.37	7.30	7.94	7.93	5.94	8.79	8.45	7.59
1977--Jan.	4.61	4.62	5.00	4.72	4.61	4.68	6.22	6.92	7.48	8.08	8.09	5.87	8.72	8.48	7.83
Feb.	4.68	4.67	5.16	4.76	4.58	4.70	6.44	7.16	7.64	8.22	8.19	5.89	8.67	8.55	7.98
Mar.	4.69	4.60	5.19	4.75	4.58	4.72	6.47	7.20	7.73	8.25	8.29	5.89	8.69	8.68	8.06
Apr.	4.73	4.54	5.10	4.75	4.57	4.67	6.32	7.11	7.67	8.26	8.22	5.73	8.75	8.67	7.96
May	5.35	4.96	5.43	5.26	5.04	5.16	6.55	7.26	7.74	8.33	8.31	5.75	8.83	8.74	8.04
June	5.39	5.02	5.41	5.42	5.24	5.35	6.39	7.05	7.64	8.08	8.12	5.62	8.86	8.75	7.95
July	5.42	5.19	5.57	5.38	5.16	5.28	6.51	7.12	7.60	8.14	8.12	5.63	8.95	8.72	7.96
Aug.	5.90	5.49	5.97	5.75	5.65	5.78	6.79	7.24	7.64	8.04	8.05	5.62	8.94	8.76	8.03
1977--July 6	5.35	5.06	5.43	5.38	5.13	5.25	6.40	7.08	7.58	8.14	8.12	5.63	8.93	--	7.97
13	5.33	5.14	5.48	5.38	5.13	5.25	6.47	7.09	7.60	8.14	8.12	5.64	8.95	8.72	7.97
20	5.35	5.20	5.56	5.38	5.20	5.31	6.55	7.12	7.62	8.12	8.14	5.62	8.95	--	7.95
27	5.45	5.19	5.62	5.38	5.20	5.31	6.61	7.18	7.61	8.17	8.14	5.62	8.93	8.71	7.93
Aug. 3	5.80	5.37	5.82	5.49	5.50	5.65	6.74	7.27	7.66	--	8.10	5.63	8.95	--	8.04
10	5.70	5.40	5.88	5.60	5.50	5.65	6.81	7.30	7.69	8.07	8.05	5.63	8.95	8.75	8.04
17	5.94	5.57	6.05	5.80	5.76	5.90	6.85	7.29	7.68	8.11	8.04	5.63	8.93	--	8.08
24	5.99	5.52	6.04	5.89	5.75	5.86	6.78	7.18	7.58	8.01	8.03	5.58	8.93	8.77	8.04
31	6.02	5.56	5.99	5.88	5.72	5.85	6.72	7.11	7.52	7.97	8.02	5.54	8.88	--	7.97
Sept. 7	5.97	5.57	5.98	5.88	5.70	5.75	6.75	7.15	7.52	8.02	8.03	5.48	8.90	8.74	7.96
14	6.05	5.80	6.14	6.01	5.91	6.00	6.84p	7.23p	7.57p	8.09p	8.07p	5.51	n.a.	--	8.07
21															
28															
Daily--Sept. 8	6.01	5.61	6.00	5.90	--	--	6.72	7.14	7.51	--	--	--	--	--	--
15	6.13p	5.87	6.13	6.20	--	--	6.80p	7.21p	7.56p	--	--	--	--	--	--

NOTE: Weekly data for columns 1 to 4 are statement week averages of daily data. Columns 5 and 6 are 1-day Wednesday quotes (prior to 1976, figures shown are for 60-89 day and 90-119 day ranges, respectively). For columns 7 through 10, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 11 and 12 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 13 is an average of contract interest rates on commitments for conventional first mortgages with 80 per cent loan-to-value ratios made by a sample of insured savings and loan associations on the Friday following the end of the statement week. Column 14 gives FNMA auction data for Monday preceding the end of the statement week. Column 15 is a 1-day quote for 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 coupon rate 50 basis points below the current FHA/VA ceiling.

Appendix Table 1-A  
**MONEY AND CREDIT AGGREGATE MEASURES**

Period	Bank Reserves <sup>1/</sup>			Bank Credit	Money Stock Measures						
	Total	Non-borrowed	Monetary Base	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
ANNUALLY: <sup>2/</sup>	(PER CENT ANNUAL RATES OF GROWTH)										
-----											
1974	7.0	7.7	9.1	10.1	5.1	7.7	7.1	10.6	9.0	8.9	9.5
1975	-0.2	3.2	5.9	3.9	4.4	8.3	11.1	6.5	9.7	10.5	10.1
1976	1.0	1.2	6.9	8.0	5.6	10.9	12.8	7.1	10.3	10.0	10.2
SEMI-ANNUALLY: <sup>2/</sup>											
-----											
1ST HALF 1976	-1.5	-1.3	6.9	6.7	5.6	10.3	11.8	6.0	8.9	9.2	9.6
2ND HALF 1976	3.6	3.7	6.8	8.9	5.5	10.9	13.1	8.0	11.1	10.3	10.4
1ST HALF 1977	2.9	2.3	7.0	10.5	6.4	9.7	10.8	9.0	10.3	10.2	10.4
QUARTERLY:											
-----											
3RD QTR. 1976	0.6	1.3	6.1	7.2	4.9	10.4	12.9	5.7	9.9	9.3	9.5
4TH QTR. 1976	7.6	7.7	8.0	11.2	7.2	13.4	14.5	12.4	13.8	11.9	11.6
1ST QTR. 1977	-1.8	-2.4	5.1	9.5	3.8	8.5	10.0	7.3	9.2	10.1	10.5
2ND QTR. 1977	6.5	4.6	8.2	11.2	8.2	8.8	9.9	9.1	10.0	9.7	9.9
QUARTERLY-AV:											
-----											
3RD QTR. 1976	2.7	2.6	6.3	6.9	4.4	9.1	11.4	6.0	9.3	9.2	9.6
4TH QTR. 1976	4.4	4.8	7.1	10.8	6.5	12.5	14.4	9.8	12.7	11.1	11.0
1ST QTR. 1977	2.7	2.6	6.8	8.8	4.2	9.9	11.3	9.3	10.9	10.7	10.8
2ND QTR. 1977	3.0	1.9	7.2	11.9	8.4	9.2	10.0	8.5	9.4	9.5	9.8
MONTHLY:											
-----											
1976--AUG.	5.9	7.0	6.6	9.7	5.9	8.8	12.3	2.0	7.9	7.6	7.7
SEPT.	-6.2	-4.8	5.1	7.6	1.6	10.0	13.3	6.2	10.8	8.6	8.7
OCT.	6.0	4.9	7.1	13.5	13.7	16.1	16.9	13.5	15.3	14.1	13.8
NOV.	11.8	12.6	9.1	11.1	0.0	10.6	12.6	9.7	11.9	10.8	10.5
DEC.	4.9	5.6	7.7	8.6	7.7	13.1	13.4	13.4	13.7	10.5	10.3
1977--JAN.	10.9	10.4	10.6	3.7	5.4	9.7	11.4	8.7	10.8	10.9	11.0
FEB.	-13.1	-13.3	-0.2	14.7	0.8	7.1	8.9	7.0	8.7	11.4	11.7
MAR.	-3.1	-4.3	5.0	10.0	5.4	8.6	9.4	6.2	8.0	7.8	8.5
APR.	13.0	14.1	11.8	14.0	19.4	13.5	12.4	11.7	11.3	10.6	10.8
MAY	1.5	-3.1	6.2	10.3	0.7	4.7	7.3	5.4	7.6	7.7	7.9
JUNE	4.8	2.9	6.4	8.9	4.5	8.1	9.8	10.0	10.7	10.5	10.6
JULY	16.9	14.9	14.2	9.3	18.3	16.6	16.1	13.6	14.3	13.3	12.9
AUG. P	9.9	-15.3	8.1	12.3	5.5	6.4	11.2	6.5	11.0	10.5	10.4

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

2/ BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY

**MONEY AND CREDIT AGGREGATE MEASURES**

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

Period	Bank Reserves <sup>1/</sup>			Bank Credit	Money Stock Measures						
	Total	Non-borrowed	Monetary Base	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
<b>ANNUALLY:</b>											
1974	34,174	33,447	104,380	695.2	283.1	612.4	981.5	701.4	1070.5	1181.2	1221.6
1975	34,015	33,885	110,394	725.5	294.8	664.3	1092.6	746.5	1174.7	1308.3	1351.1
1976	34,465	34,412	118,054	786.2	312.4	740.3	1237.1	803.5	1300.3	1439.1	1488.8
<b>MONTHLY:</b>											
1976--AUG.	33,998	33,897	115,252	762.0	306.5	710.4	1180.8	775.4	1245.8	1387.5	1436.3
SEPT.	33,823	33,761	115,739	766.8	306.9	716.3	1193.9	779.4	1257.0	1397.5	1446.7
OCT.	33,992	33,898	116,424	775.4	310.4	725.9	1210.7	788.2	1273.0	1415.9	1463.3
NOV.	34,325	34,253	117,304	782.6	310.4	732.3	1223.4	794.6	1285.6	1426.6	1476.1
DEC.	34,465	34,412	118,054	788.2	312.4	740.3	1237.1	803.5	1300.3	1439.1	1488.8
1977--JAN.	34,778	34,710	119,100	790.6	313.8	746.3	1248.9	809.3	1312.0	1452.2	1502.4
FEB.	34,397	34,326	119,077	800.3	314.0	750.7	1258.2	814.0	1321.5	1466.0	1517.1
MAR.	34,308	34,204	119,572	807.0	315.4	756.1	1268.1	818.2	1330.3	1475.5	1527.8
APR.	34,680	34,606	120,749	816.4	320.5	764.6	1281.2	826.2	1342.8	1488.5	1541.6
MAY	34,723	34,517	121,376	823.4	320.7	767.6	1289.0	829.9	1351.3	1498.1	1551.8
JUNE	34,862	34,599	122,027	829.5	321.9	772.8	1299.5	836.8	1363.4	1511.2	1565.5
JULY	35,352	35,029	123,468	835.9	326.8	783.5	1316.9	846.3	1379.7	1527.9	1582.3
AUG. P	35,644	34,583	124,301	844.5	328.3	787.7	1329.2	850.9	1392.3	1541.3	1596.0
<b>WEEKLY:</b>											
1977-JULY 13	34,937	34,777	122,816		324.3	780.7		843.6			
20	35,362	34,956	123,424		329.0	785.9		848.4			
27	34,962	34,667	123,422		327.8	786.0		848.3			
AUG. 3	36,156	35,558	124,675		328.7	787.0		849.9			
10	35,635	35,050	123,931		327.2	786.0		849.3			
17	35,705	34,907	124,226		327.5	786.8		850.1			
24	35,258	33,593	124,044		327.4	787.2		850.4			
31P	35,756	34,364	124,845		330.4	791.1		854.2			
SEPT. 7P	35,525	34,888	124,613		329.6	791.3		854.2			

NOTES: 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> BASED ON DATA ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS.

P - PRELIMINARY

## APPENDIX TABLE 2-A

## COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits					Mutual Savings Bank & S&L Shares <sup>1/</sup>	Credit Union Shares <sup>1/</sup>	Savings Bonds <sup>1/</sup>	Short Term U.S. Gov't Securities <sup>1/</sup>	Commercial Paper <sup>1/</sup>
			Total	Other Than CD's			CD's					
				Total	Savings	Other						
	1	2	3	4	5	6	7	8	9	10	11	12
(Per cent annual rates of growth)												
2/ ANNUALLY:												
1974	10.3	3.6	14.7	10.1	6.5	12.7	36.5	5.6	12.3	4.7	13.5	29.6
1975	8.8	2.9	8.0	11.7	17.4	7.8	-6.1	15.5	19.4	6.2	33.4	-1.0
1976	9.6	4.3	8.1	15.2	25.0	7.7	-23.5	15.6	17.8	6.9	7.5	19.2
2/ SEMI-ANNUALLY:												
1ST HALF 1976	10.7	4.0	6.3	14.1	27.6	3.8	-28.9	13.8	16.6	6.3	16.6	21.6
2ND HALF 1976	8.0	4.6	9.7	15.2	19.7	11.4	-21.1	16.2	17.6	7.2	-1.4	15.2
1ST HALF 1977	8.5	5.7	10.5	12.1	15.1	9.4	0.0	12.2	16.1	6.4	12.5	16.5
QUARTERLY:												
3RD QTR. 1976	8.8	3.7	6.2	14.5	19.5	10.3	-40.5	16.9	17.9	8.1	0.0	15.2
4TH QTR. 1976	6.6	7.4	15.7	18.1	27.5	10.0	1.3	15.9	18.2	6.2	-16.1	4.1
1ST QTR. 1977	8.4	2.2	9.5	11.9	15.4	8.7	-7.0	12.0	16.4	6.1	31.1	20.9
2ND QTR. 1977	8.8	8.2	9.5	9.4	4.0	14.2	10.9	11.1	13.8	6.6	8.3	15.3
QUARTERLY-AV:												
3RD QTR. 1976	7.8	3.2	7.0	12.8	13.8	11.7	-24.6	14.6	15.9	7.0	9.2	22.6
4TH QTR. 1976	8.1	6.0	12.2	17.1	24.7	10.8	-18.9	17.2	18.5	7.4	-11.9	7.4
1ST QTR. 1977	7.5	3.1	12.5	14.0	21.9	7.1	1.9	13.3	16.7	6.7	11.1	12.9
2ND QTR. 1977	9.3	8.3	8.3	9.8	7.9	11.6	-1.9	10.9	15.0	6.1	13.6	19.5
MONTHLY:												
1976--AUG.	7.7	5.3	-0.3	11.4	21.7	2.2	-67.9	18.0	16.6	8.6	0.0	14.9
SEPT.	9.2	-1.1	9.2	16.3	23.3	11.0	-35.1	18.0	19.6	10.3	-28.6	9.8
OCT.	9.1	15.3	13.5	17.9	19.6	15.8	-15.2	18.0	19.3	5.1	0.0	7.3
NOV.	6.0	-2.1	16.1	18.8	29.9	9.7	-1.9	15.3	15.8	6.8	-3.4	0.0
DEC.	4.5	8.9	17.1	16.8	31.0	4.3	21.2	13.8	18.8	6.7	-44.9	4.8
1977--JAN.	8.9	4.1	11.0	12.9	21.9	4.8	-3.8	14.2	15.4	6.7	17.9	12.1
FEB.	10.4	-3.1	10.7	11.7	13.4	10.6	3.8	11.4	15.2	6.6	68.9	21.5
MAR.	5.9	5.7	6.7	10.7	10.4	10.5	-20.9	10.0	18.0	5.0	5.0	28.2
APR.	13.1	21.6	6.9	9.5	9.7	9.4	-11.6	10.4	11.8	6.6	3.3	18.4
MAY	7.2	-1.5	8.3	7.6	4.5	10.3	13.6	11.1	11.7	6.5	11.6	15.8
JUNE	5.7	4.6	13.2	10.7	-2.3	22.5	30.8	11.5	17.4	6.5	9.9	11.2
JULY	15.7	18.2	11.0	15.4	8.5	21.6	-20.7	15.1	20.0	6.5	0.0	2.2
AUG. P	5.6	6.0	6.9	7.1	13.5	1.0	7.6	18.3	16.9	6.4	6.5	6.6

1/ GROWTH RATES ARE BASED ON ESTIMATED MONTHLY AVERAGE LEVELS DERIVED BY AVERAGING END OF CURRENT MONTH AND END OF PREVIOUS MONTH REPORTED DATA.

2/ BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY.

**APPENDIX TABLE 2-B**  
**COMPONENTS OF MONEY STOCK AND RELATED MEASURES**

SEPT. 16, 1977

Period	Currency	Demand Deposits	Time and Savings Deposits				CD's	Mutual Savings Bank & S&L Shares <sup>1/</sup>	Credit Union Shares <sup>1/</sup>	Savings Bonds <sup>1/</sup>	Short-Term U.S. Gov't Sec <sup>1/</sup>	Com-mercial Paper <sup>1/</sup>	Non-Deposit Funds <sup>2/</sup>	Total Gov't Demand Deposits <sup>3/</sup>
			Total	Other Than CD's										
				Total	Savings	Other								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
<b>ANNUALLY:</b>														
1974	67.8	215.3	418.3	329.3	136.2	193.1	89.0	341.5	27.6	63.3	47.4	40.4	37.6	6.0
1975	73.7	221.0	451.7	369.6	161.0	208.6	82.1	395.2	33.0	67.3	66.3	42.8	33.7	8.3
1976	80.5	231.9	491.1	427.9	202.4	225.5	63.3	457.8	39.0	71.9	66.9	49.7	51.4	11.2
<b>MONTHLY:</b>														
1976--AUG.	78.6	227.9	468.9	403.9	185.8	218.0	65.0	433.8	36.7	70.2	71.4	48.8	41.9	12.6
SEPT.	79.2	227.7	472.5	409.4	189.4	220.0	63.1	440.3	37.3	70.8	69.7	49.2	42.0	12.0
OCT.	79.8	230.6	477.8	415.5	192.5	222.9	62.3	446.9	37.9	71.1	69.7	49.5	43.8	13.2
NOV.	80.2	230.2	484.2	422.0	197.3	224.7	62.2	452.6	38.4	71.5	69.5	49.5	48.2	13.0
DEC.	80.5	231.9	491.1	427.9	202.4	225.5	63.3	457.8	39.0	71.9	66.9	49.7	51.4	11.2
1977--JAN.	81.1	232.7	495.6	432.5	206.1	226.4	63.1	463.2	39.5	72.3	67.9	50.2	50.3	10.0
FEB.	81.8	232.1	500.0	436.7	208.4	228.4	63.3	467.6	40.0	72.7	71.8	51.1	50.7	11.7
MAR.	82.2	233.2	502.8	440.6	210.2	230.4	62.2	471.5	40.6	73.0	72.1	52.3	52.7	11.2
APR.	83.1	237.4	505.7	444.1	211.9	232.2	61.6	475.6	41.0	73.4	72.3	53.1	52.7	10.8
MAY	83.6	237.1	509.2	446.9	212.7	234.2	62.3	480.0	41.4	73.8	73.0	53.8	56.2	10.6
JUNE	84.0	238.0	514.8	450.9	212.3	238.6	63.9	484.6	42.0	74.2	73.6	54.3	55.9	10.1
JULY	85.1	241.6	519.5	456.7	213.8	242.9	62.8	490.7	42.7	74.6	73.6	54.4	55.9	11.8
AUG. P	85.5	242.8	522.5	459.4	216.2	243.1	63.2	498.2	43.3	75.0	74.0	54.7	58.1	10.2
<b>WEEKLY:</b>														
1977-JULY	13	84.8	239.5	519.2	456.4	213.2	243.2	62.8					54.4	10.7
	20	84.9	244.1	519.3	456.9	213.8	243.1	62.4					59.2	11.8
	27	85.3	242.6	520.4	458.1	214.5	243.7	62.3					58.0	12.8
AUG.	3	85.4	243.3	521.1	458.3	215.2	243.1	62.9					54.4	12.6
	10	85.4	241.8	522.0	458.8	215.7	243.0	63.3					59.4	10.2
	17	85.4	242.1	522.6	459.3	216.2	243.0	63.3					59.0	10.5
	24	85.6	241.7	523.0	459.9	216.6	243.3	63.1					57.4	10.7
	31P	85.8	244.6	523.8	460.7	216.9	243.9	63.1					58.4	8.5
SEPT.	7P	86.2	243.4	524.6	461.7	217.6	244.2	62.8						7.3

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

2/ INCLUDES BORROWINGS FROM OTHER THAN COMMERCIAL BANKS IN THE FORM OF FEDERAL FUNDS PURCHASED, SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE, AND OTHER LIABILITIES FOR BORROWED MONEY, PLUS GROSS LIABILITIES TO OWN FOREIGN BRANCHES (EURODOLLAR BORROWINGS), LOANS SOLD TO AFFILIATES, LOAN RPS, AND OTHER MINOR ITEMS.

3/ INCLUDES TREASURY DEPOSITS AT MEMBER BANKS AND FEDERAL RESERVE BANKS.

P - PRELIMINARY