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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

August 11, 1978

MONETARY AGGREGATES AND  
MONEY MARKET CONDITIONS

Recent developments

(1) M-1 increased at a 5.1 per cent annual rate in July and appears to be expanding over the July-August period at an annual rate of about 6 per cent, the mid-point of the Committee's range. M-2 expansion during July and August is projected to average almost 9 per cent at an annual rate, in the upper half of the Committee's range. Large-denomination time deposits included in M-2 have increased sharply in recent weeks, while growth in small-denomination time deposits slowed and savings deposits declined somewhat. At nonbank thrift institutions, deposit inflows strengthened further in July. Although sales of the new money market certificates picked up in July at both banks and thrifts, only the latter appear to be gaining substantial net new money through the instrument.

Growth in Monetary Aggregates  
over July-August Period

	<u>Ranges</u>	<u>Latest Estimates</u>
M-1	4 to 8	6.0
M-2	6 to 10	8.9

Memo: Federal funds rate (per cent per annum)	<u>Avg. for statement week ending</u>	
	July 19	7.94
	26	7.88
	Aug. 2	7.89
	9	7.83

(2) Since the July FOMC meeting Federal funds have traded within a  $7\frac{3}{4}$  to 8 per cent range, while projected growth in the monetary aggregates over the July-August period has also remained well within the Committee's ranges. Although the funds rate was slightly higher during the inter-meeting period than in preceding weeks, short- and long-term market interest rates declined by as much as 20 and 30 basis points since the July FOMC meeting. The fall in rates developed in response to a shift in expectations, apparently induced by recent moderate growth in the monetary aggregates, failure of the Federal funds rate to move even higher, and signs of slowing in economic expansion. The rally was encouraged by efforts of Treasury security dealers and other active trading accounts to cover short positions in coupon issues and to build up larger long positions in bills. In addition, demand for Treasury bills increased as a result of substantial foreign central bank investment of dollars obtained in currency exchange support operations. Most recently, a portion of the general rate decline has been reversed.

(3) Corporate bond offerings to the public have been relatively light in recent weeks, but issuance of municipal bonds has been exceptionally heavy, partly reflecting a spurt in advance refunding issues in advance of a September 1 change in Treasury regulations. The Treasury also raised about \$5 billion of new money during the inter-meeting period. In its quarterly refunding operation, the Treasury sold \$7.7 billion of new debt instruments--including \$700 million issued to foreign official accounts on a non-competitive

basis--to roll over \$4.4 billion of maturing debt. Aggressive bidding by investors and a sizable volume of private non-competitive tenders left the dealer community with only about 35 per cent of the total awards to the domestic public. Dealers have thus far distributed about two-thirds of their awards.

(4) The improved deposit flows to thrift institutions and reduction in market interest rates have reduced the pressure on mortgage rates. While mortgage indebtedness apparently has continued to expand at about the stronger second-quarter pace, average rates on new home loan commitments at S&L's have edged up only slightly in recent weeks. Moreover, fewer institutions have been reporting that lendable funds are in substantially short supply.

(5) Growth in commercial bank credit rebounded in July, reflecting a very strong advance in total loans and a substantial rise in total investments. Real estate and consumer loans continued to rise at relatively strong rates. Growth in business loans also picked up from June's reduced pace, but remained below that recorded on average over the first half of the year. To help finance bank credit expansion, banks issued sizable amounts of negotiable CD's and other large time deposits.

(6) The table on the next page shows percentage annual rates of changes in related monetary and financial flows over various time periods.

	1976 & 1977 Average	Past Twelve Months July '78 over July '77	Past Six Months July '78 over Jan. '78	Past Three Months July '78 over Apr. '78	Past Month July '78 over June '78
Nonborrowed reserves	2.5	5.6	4.3	5.4	8.5
Total reserves	3.2	8.3	8.8	13.6	15.3
Monetary Base	7.7	9.4	8.4	10.7	8.7
<u>Concepts of Money</u>					
M-1 (Currency plus demand deposits) <u>1/</u>	6.8	7.4	6.9	6.4	5.1
M-2 (M-1 plus time deposits at commercial banks other than large CD's)	10.4	8.1	7.8	8.1	8.4
M-3 (M-2 plus deposits at thrift institutions)	12.3	9.4	8.1	8.7	10.0
M-4 (M-2 plus CD's)	8.6	10.4	9.6	9.0	8.5
M-5 (M-3 plus CD's)	11.1	10.8	9.2	9.4	10.0
<u>Bank Credit</u>					
Loans and investments of all commercial banks <u>2/</u>					
Month-end basis	9.8	11.5	12.3	12.9	16.7
Monthly average	9.5	11.4	11.3	11.1	11.8
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-0.4	2.1	1.9	1.3	0.7
Nonbank commercial paper	0.2	0.2	0.5	0.5	0.8

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

(7) Tabulated below for Committee consideration are two alternative short-run specifications for the Federal funds rate and the monetary aggregates. (More detailed and longer-term data are contained in the tables on pp. 6 and 7.)

	<u>Alt. A</u>	<u>Alt. B</u>
Ranges for Aug.-Sept.		
M-1	5½ to 9½	5 to 9
M-2	7 to 11	6½ to 10½
Federal funds rate (inter-meeting period)	7¾ to 8	7¾ to 8½

(8) Alternative A contemplates continuation of a Federal funds rate around the mid-point of the existing 7¾ to 8 per cent range. Under the circumstances, M-1 growth over the August-September period is expected to accelerate into a 5½ to 9½ per cent, annual rate, range--bringing the level of M-1 by September a shade above that implied by the upper bound of the Committee's newly adopted longer-run range, as may be seen from chart 1 on the following page. M-1 growth in June and July may have been held down by an unusually rapid run-up in U.S. Government deposits, and such deposits are projected to decline in September. Moreover, transactions demands for cash are likely to be fairly strong in the third quarter as a whole, when nominal GNP is projected to rise at about an 11 per cent annual rate. The projected M-1 increase for August and September would lead to an expansion in the third quarter at about a 6½ per cent annual rate, and would imply a rise in velocity of 4½ per cent at an annual rate (see Appendix II).

CHART 1  
**Recently Established M-1 Growth Ranges and Actual M-1**

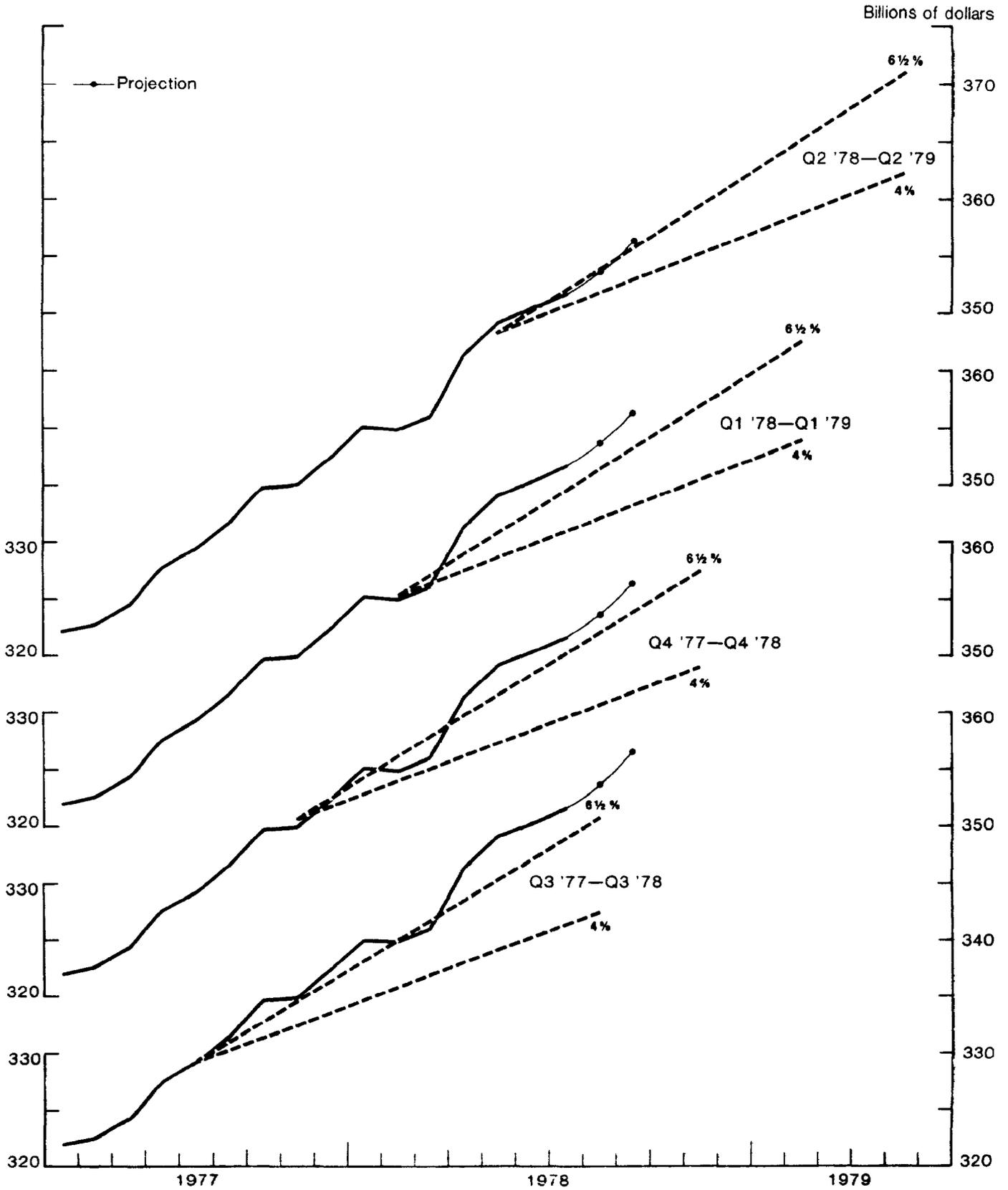
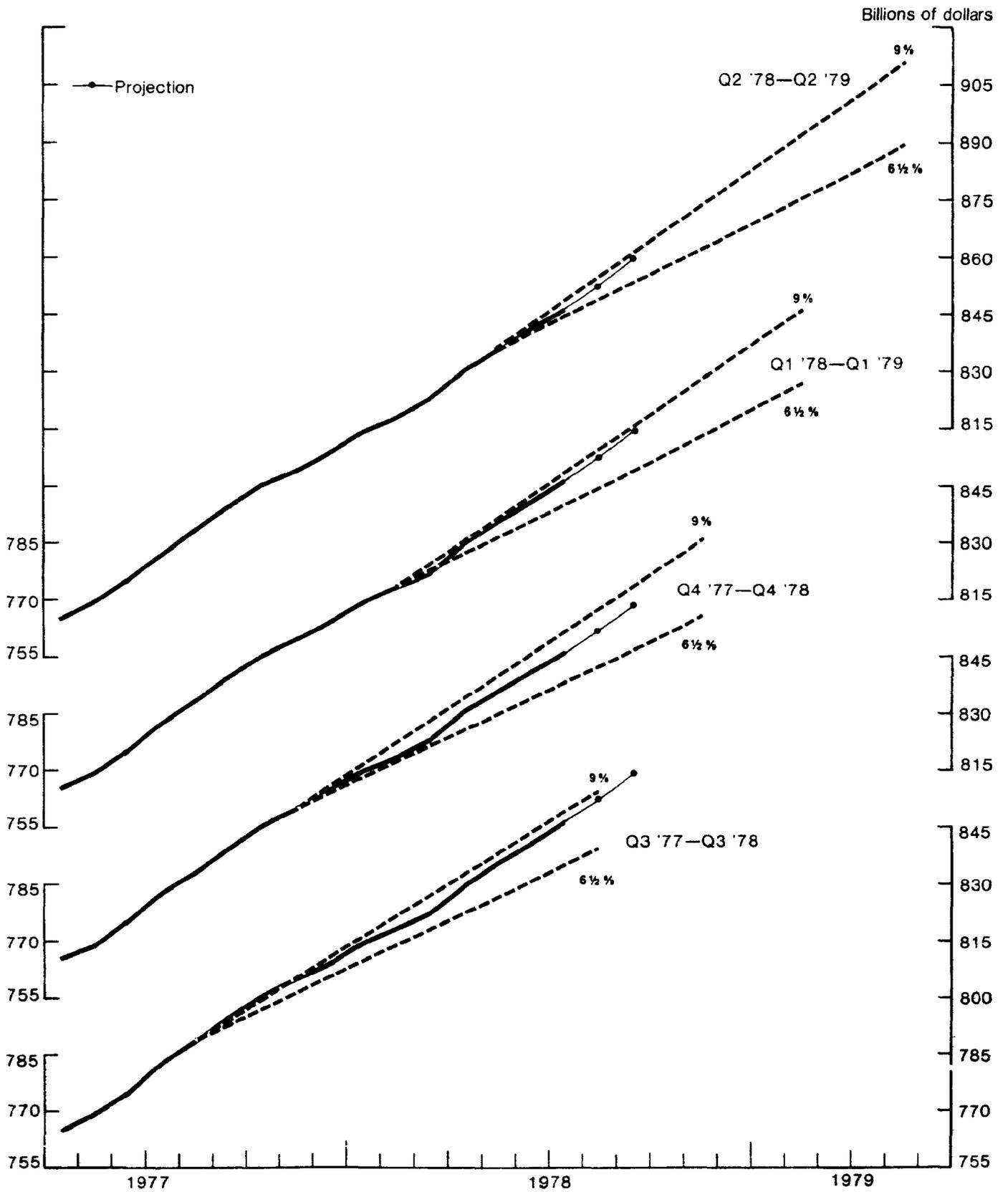


CHART 2  
**Recently Established M-2 Growth Ranges and Actual M-2**



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. A</u>	<u>Alt. B</u>
1978	July	351.8	351.8	846.4	846.4
	August	353.8	353.7	852.6	952.6
	September	356.2	355.9	859.2	858.5
1978	QII	348.4	348.4	835.1	835.1
	QIII	353.9	353.8	852.8	852.5
	QIV	359.4	358.8	869.7	868.5
1979	QI	364.7	364.4	885.8	885.1
	QII	370.2	370.2	902.4	902.2
<u>Growth Rates</u>					
<u>Monthly:</u>					
1978	August	6.8	6.5	9.2	8.8
	September	8.1	7.5	8.9	8.3
<u>Quarterly Average:</u>					
1978	QIII	6.3	6.2	8.5	8.3
	QIV	6.2	5.7	7.9	7.5
1979	QI	5.9	6.2	7.4	7.6
	QII	6.0	6.4	7.5	7.7
<u>Semi-Annual:</u>					
	QII '78-QIV '78	6.3	6.0	8.3	8.0
	QIV '78-QII '79	6.0	6.4	7.5	7.8
<u>Annual:</u>					
	QII '78-QII '79	6.3	6.3	8.1	8.0

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. A</u>	<u>Alt. B</u>
1978	July	1441.6	1441.6	933.5	933.5
	August	1454.0	1453.6	941.4	941.4
	September	1465.0	1463.8	949.2	948.8
1978	QII	1420.1	1420.1	916.5	916.5
	QIII	1453.5	1453.0	941.4	941.2
	QIV	1483.8	1481.6	966.5	965.9
1979	QI	1511.6	1510.0	992.0	990.0
	QII	1539.5	1538.5	1016.3	1012.7
<u>Growth Rates</u>					
<u>Monthly</u>					
1978	August	10.3	10.0	10.2	10.2
	September	9.1	8.4	9.9	9.4
<u>Quarterly Average:</u>					
1978	QIII	9.4	9.3	10.9	10.8
	QIV	8.3	7.9	10.7	10.5
1979	QI	7.5	7.7	10.6	10.0
	QII	7.4	7.5	9.8	9.2
<u>Semi-Annual:</u>					
	QII '78-QIV '78	9.0	8.7	10.9	10.8
	QIV '78-QII '79	7.5	7.7	10.3	9.7
<u>Annual:</u>					
	QII '78-QII '79	8.4	8.3	10.9	10.5

(9) M-2 in the August-September period under alternative A is expected to grow in a 7 to 11 per cent annual rate range. The interest-bearing component of M-2 may expand at about a 10 per cent annual rate over the period. This represents a slight slowing from the July rate of growth, but is more rapid than in the first half of the year. With inflows of deposits subject to ceiling rates remaining sluggish, banks are expected to sell substantial amounts of large time deposits--both non-negotiable and negotiable--to finance continued relatively strong credit demands.

(10) Inflows of interest-bearing deposits to thrift institutions are projected to slow over the weeks ahead from the rapid July pace. The impact of the initial shifting of funds from outstanding financial assets to the 6-month money market certificate, which has been aggressively marketed by thrift institutions, may soon run its course. Even so, as with the interest-bearing component of M-2, thrift deposits are expected to grow somewhat more rapidly than in the first half of the year.

(11) Under alternative A, the recent upward readjustment of market rates, following the unexpectedly sharp decline of recent weeks, may continue, with rates returning closer to their mid-July levels. Basically, however, demands on credit markets are not expected to strengthen significantly over the period. Corporate bond offerings are likely to remain near their recent reduced pace, municipal volume should drop off, and Treasury credit demands are not expected to pick up until later in the fall. In short-term markets, the 3-month

Treasury bill rate is still quite low relative to the Federal funds rate--a spread of about one percentage point--and the bill rate should rise more than other short rates unless there is a substantial volume of foreign central bank purchases.

(12) If the funds rate were to move up to the mid-point of the  $7\frac{1}{2}$  to  $8\frac{1}{2}$  per cent alternative B range, the upward adjustment in market rates would likely be prompt and marked. The 3-month bill rate should move toward  $7\frac{1}{2}$  per cent, and pressures on the CD and commercial paper rates should generate a further rise in the prime loan rate. The rise of interest rates on Treasury coupon issues would probably reverse all of the recent decline in such yields, and perhaps go somewhat further. And corporate bond yields may also rise fairly substantially given the prevailing narrow rate spread between Treasury and corporate issues.

(13) Growth in M-1 and M-2 under alternative B may be in ranges of 5 to 9 and  $6\frac{1}{2}$  to  $10\frac{1}{2}$  per cent, respectively. It is expected that continued issuance of the 6-month money market certificate by banks and thrift institutions will tend to moderate adverse impacts of rising interest rates on inflows of small-denomination time and savings deposits; the beneficial effect is likely to be most marked at thrift institutions, if recent experience is any guide. Nevertheless, the rising marginal cost of time and savings deposits, if not an actual slowing of deposit inflows, is likely to exert additional upward pressure on primary mortgage interest rates.

(14) The staff still expects that interest rates between now and mid-1979 will have to rise beyond those contemplated under the short-run specifications for alternative B--given projections for GNP growth--if M-1 growth over the one-year QII '78 to QII '79 period is to be around the upper limit<sup>1/</sup> of the 4 to 6½ per cent range adopted for that aggregate. Federal funds rate projections through the second quarter of next year are shown in appendix I.

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<sup>1/</sup> Abstracting from shifts out of demand deposits of savings accounts occasioned by the automatic transfer regulation which goes into effect on November 1.

Directive language

(15) Given below are suggested operational paragraphs for the directive. The language of alternative A is consistent with the specifications of alternative A discussed in the preceding section. Like the directive adopted at the last meeting, it places main emphasis on money market conditions and calls for operations directed at maintaining the weekly-average Federal funds rate within the range of 7-3/4 to 8 per cent.

(16) The language of alternative B is consistent with the specifications of the tightening alternative discussed in the preceding section; it calls for operations directed initially at attaining a weekly-average Federal funds rate slightly or somewhat above the current level. This formulation also provides variants that enable the Committee to place main emphasis either on money market conditions or on monetary aggregates.

In the short run, the Committee seeks to achieve bank reserve and money market conditions that are broadly consistent with the longer-run ranges for monetary aggregates cited above, while giving due regard to developing conditions in financial markets more generally. During the period until the next regular meeting, System open market operations shall be directed

Alternative A

at maintaining the weekly-average Federal funds rate within the range of 7-3/4 to 8 per cent. In deciding on the specific objective for the Federal funds rate the Manager shall be guided mainly by the relationship between the latest estimates of annual rates of growth in the ~~July-August~~ AUGUST-SEPTEMBER period of M-1 and M-2 and the following ranges of tolerance: ~~4-to-8~~ \_\_\_\_\_ TO \_\_\_\_\_ per cent for M-1 and ~~6-to-10~~ \_\_\_\_\_ TO \_\_\_\_\_ per cent for M-2. If, giving approximately equal weight to M-1 and M-2, their rates of growth appear to be close to or beyond the upper or lower limits of the indicated ranges, the objective for the funds rate shall be raised or lowered in an orderly fashion within its range.

If the rates of growth in the aggregates appear to be above the upper limit or below the lower limit of the indicated ranges at a time when the objective for the funds rate has already been moved to the corresponding limit of its range, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.

Alternative B

INITIALLY at ~~maintaining-the~~ ATTAINING A weekly-average Federal funds rate ~~within-the-range-of-7-3/4-to-8-per-cent~~ SLIGHTLY (OR SOMEWHAT) ABOVE THE CURRENT LEVEL. SUBSEQUENTLY, OPERATIONS SHALL BE DIRECTED AT MAINTAINING THE WEEKLY-AVERAGE FEDERAL FUNDS RATE WITHIN THE RANGE OF \_\_\_\_\_ TO \_\_\_\_\_ PER CENT. In deciding on

the specific objective for the Federal funds rate the Manager shall be guided mainly by the relationship between the latest estimates of annual rates of growth in the ~~July-August~~ AUGUST-SEPTEMBER period of M-1 and M-2 and the following ranges of tolerance: ~~4- $\pm$ 8~~ \_\_\_\_\_ TO \_\_\_\_\_ per cent for M-1 and ~~6- $\pm$ 10~~ \_\_\_\_\_ TO \_\_\_\_\_ per cent for M-2. If, giving approximately equal weight to M-1 and M-2, their rates of growth appear to be

Monetary aggregates emphasis

SIGNIFICANTLY ABOVE OR BELOW THE MIDPOINTS

Money market emphasis

close to or beyond the upper or lower limits

of the indicated ranges, the objective for the funds rate shall be raised or lowered in an orderly fashion within its range.

If the rates of growth in the aggregates appear to be above the upper limit or below the lower limit of the indicated ranges at a time when the objective for the funds rate has already been moved to the corresponding limit of its range, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.

Chart 3

### Recently Established M-3 Growth Ranges And Actual M-3

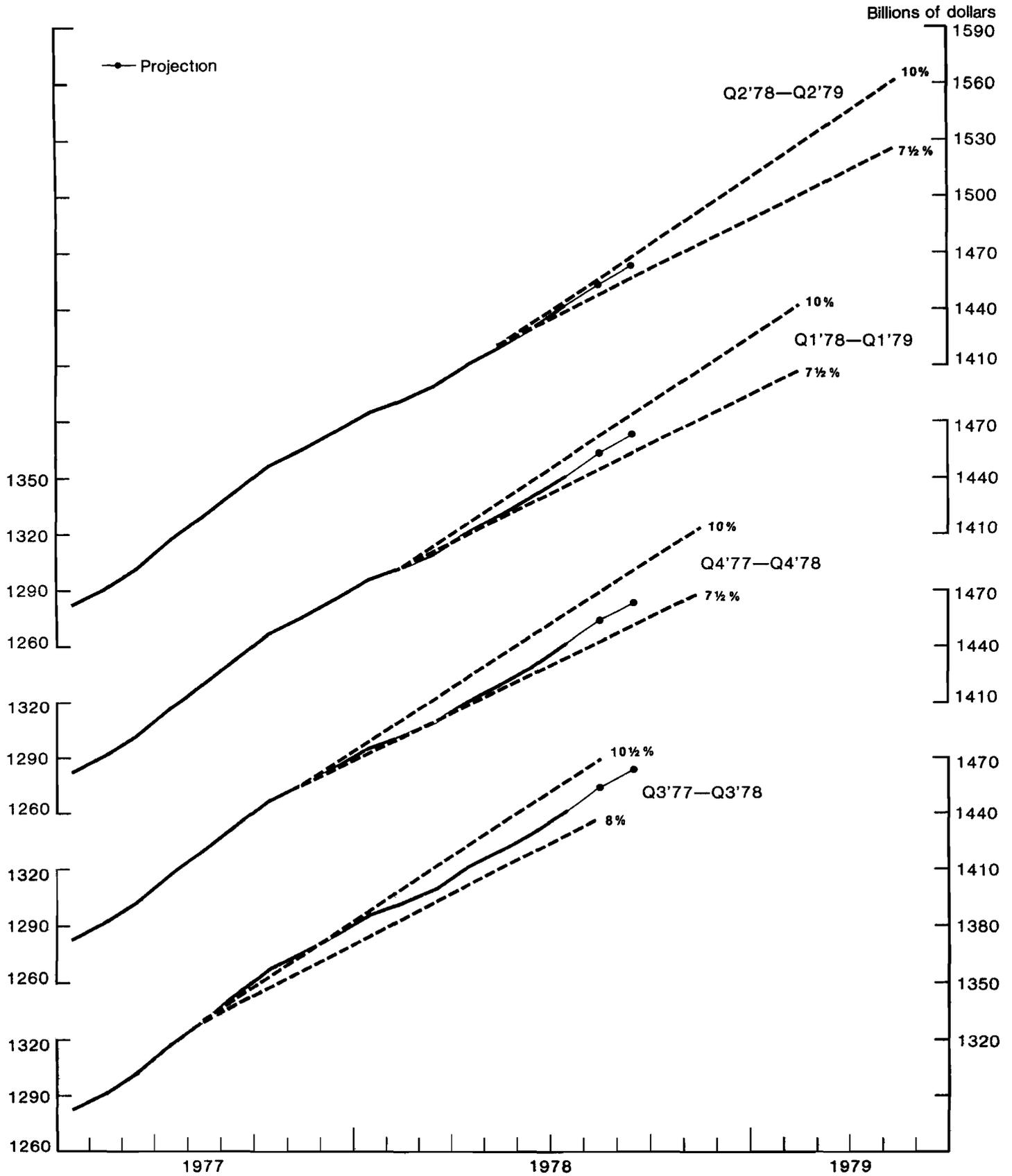
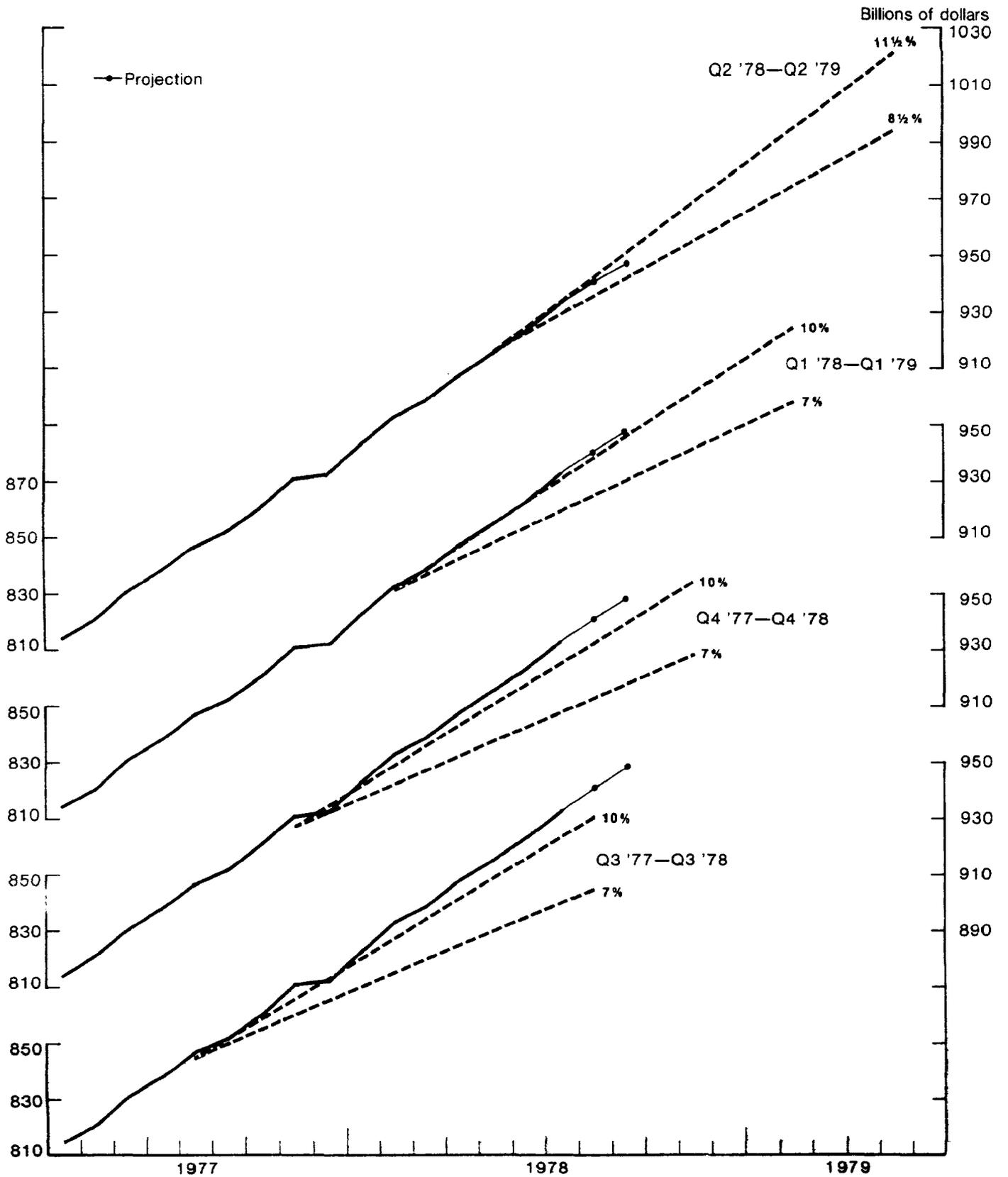


Chart 4

### Recently Established Bank Credit Growth Ranges and Actual Bank Credit



Appendix I

Projected Federal Funds Rate

		<u>Alt. A</u>	<u>Alt. B</u>
1978	QIII	7-7/8 to 8	8 to 8½
	QIV	8½ to 9½	8¾ to 9½
1979	QI	8¾ to 9¾	8¾ to 9½
	QII	8¾ to 9¾	8¾ to 9½

## Appendix II

### Implied Velocity Growth Rates

<u>V-1 (GNP/M-1)</u>	<u>Alt. A</u>	<u>Alt. B</u>
1978 II	7.3	7.3
III	4.2	4.3
IV	4.3	4.8
1979 I	5.6	5.2
II	4.5	4.1
<u>V-2 (GNP/M-2)</u>		
1978 II	8.5	8.5
III	2.1	2.3
IV	2.6	2.9
1979 I	4.1	4.0
II	3.0	2.7

Appendix Table III-1

MONEY STOCK--M-1  
(Annual rates of growth, compounded quarterly)<sup>1/</sup>

Ending Period	Base Period														
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>
1975 I	2.3														
II	4.3	6.4													
III	5.0	6.3	6.3												
IV	4.4	5.1	4.5	2.8											
1976 I	4.5	5.0	4.6	3.7	4.7										
II	4.9	5.4	5.2	4.8	5.9	7.0									
III	4.7	5.1	4.9	4.6	5.2	5.4	3.8								
IV	5.1	5.5	5.3	5.1	5.7	6.1	5.6	7.4							
1977 I	5.3	5.7	5.6	5.5	6.0	6.3	6.1	7.3	7.1						
II	5.6	6.0	5.9	5.9	6.4	6.7	6.6	7.6	7.7	8.3					
III	5.8	6.2	6.2	6.2	6.7	7.0	7.0	7.8	7.9	8.3	8.3				
IV	6.0	6.3	6.3	6.3	6.8	7.1	7.1	7.8	7.9	8.1	8.0	7.7			
1978 I	6.0	6.3	6.3	6.3	6.7	6.9	6.9	7.4	7.4	7.5	7.3	6.7	5.7		
II	6.2	6.6	6.6	6.6	7.0	7.2	7.3	7.8	7.8	8.0	7.9	7.8	7.8	9.9	
	* * * * *														
1979 II															
Alt. A	6.2	6.5	6.5	6.5	6.8	6.9	6.9	7.2	7.2	7.2	7.1	6.9	6.8	7.0	6.3
Alt. B	6.2	6.5	6.5	6.5	6.8	6.9	6.9	7.2	7.2	7.2	7.1	6.9	6.8	7.0	6.3

<sup>1/</sup> Based on quarterly average data.

Appendix Table III-2

MONEY STOCK--M-2  
(Annual rates of growth, compounded quarterly)<sup>1/</sup>

Ending Period	Base Period														
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>
1975 I	6.4														
II	8.3	10.2													
III	8.8	10.1	9.9												
IV	8.3	9.0	8.4	6.9											
1976 I	8.9	9.5	9.3	8.9	11.0										
II	9.1	9.7	9.5	9.4	10.7	10.4									
III	9.1	9.5	9.4	9.3	10.1	9.6	8.9								
IV	9.6	10.1	10.0	10.1	10.9	10.8	11.1	13.2							
1977 I	9.8	10.2	10.2	10.3	11.0	10.9	11.1	12.3	11.3						
II	9.7	10.1	10.1	10.1	10.7	10.6	10.7	11.3	10.3	9.4					
III	9.8	10.1	10.1	10.2	10.6	10.6	10.6	11.0	10.3	9.8	10.3				
IV	9.7	10.0	10.0	10.0	10.4	10.3	10.2	10.5	9.8	9.3	9.3	8.4			
1978 I	9.5	9.7	9.7	9.7	10.0	9.9	9.8	9.9	9.3	8.8	8.6	7.8	7.1		
II	9.4	9.6	9.6	9.6	9.8	9.7	9.6	9.7	9.2	8.7	8.6	8.0	7.8	8.5	
	* * * * *														
1979 II															
Alt. A	9.1	9.3	9.2	9.2	9.3	9.2	9.1	9.1	8.7	8.4	8.3	8.0	8.0	8.2	8.1
Alt. B	9.1	9.3	9.2	9.2	9.3	9.2	9.1	9.1	8.7	8.4	8.3	8.0	8.0	8.1	8.0

<sup>1/</sup> Based on quarterly average data.

Appendix Table III-3

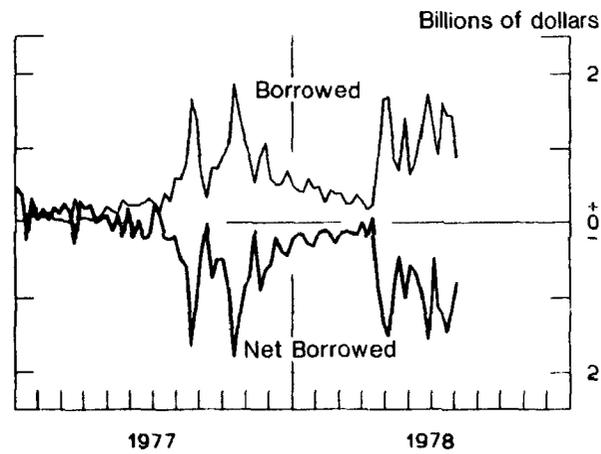
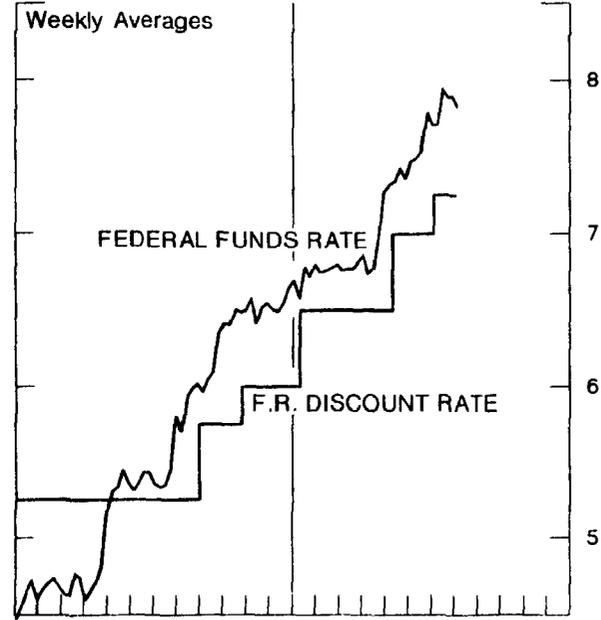
MONEY STOCK--M-3  
(Annual rates of growth, compounded quarterly)<sup>1/</sup>

Ending Period	Base Period														
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>
1975 I	8.3														
II	10.6	13.0													
III	11.5	13.1	13.2												
IV	11.1	12.0	11.5	9.8											
1976 I	11.4	12.2	11.9	11.2	12.7										
II	11.5	12.2	12.0	11.6	12.5	12.2									
III	11.5	12.0	11.8	11.5	12.1	11.8	11.3								
IV	11.9	12.5	12.4	12.2	12.8	12.8	13.1	15.0							
1977 I	12.0	12.5	12.4	12.3	12.8	12.8	13.0	13.9	12.7						
II	11.9	12.3	12.2	12.0	12.4	12.4	12.4	12.8	11.7	10.6					
III	11.9	12.3	12.2	12.1	12.4	12.4	12.4	12.7	11.9	11.5	12.5				
IV	11.9	12.2	12.1	12.0	12.2	12.2	12.2	12.4	11.7	11.4	11.8	11.2			
1978 I	11.6	11.8	11.7	11.6	11.8	11.7	11.6	11.6	11.0	10.5	10.5	9.6	8.0		
II	11.3	11.6	11.4	11.3	11.4	11.3	11.2	11.1	10.5	10.1	9.9	9.1	8.1	8.2	
	* * * * *														
1979 II															
Alt. A	10.7	10.8	10.7	10.5	10.5	10.4	10.2	10.1	9.7	9.3	9.2	8.7	8.3	8.4	8.4
Alt. B	10.6	10.8	10.6	10.5	10.5	10.4	10.2	10.1	9.6	9.3	9.1	8.7	8.3	8.3	8.3

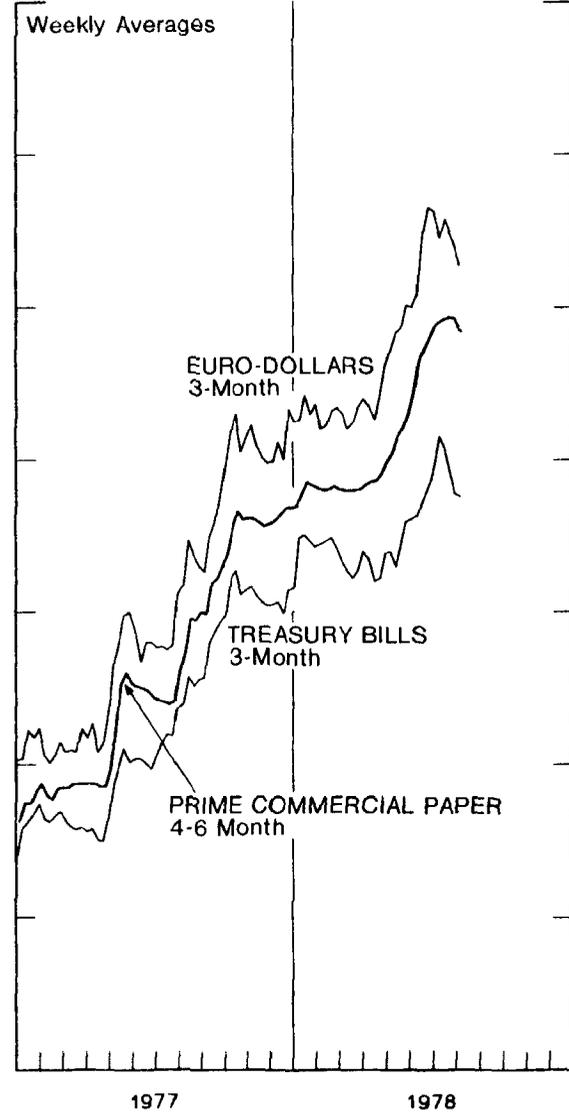
<sup>1/</sup> Based on quarterly average data.

### Money Market Conditions and Interest Rates

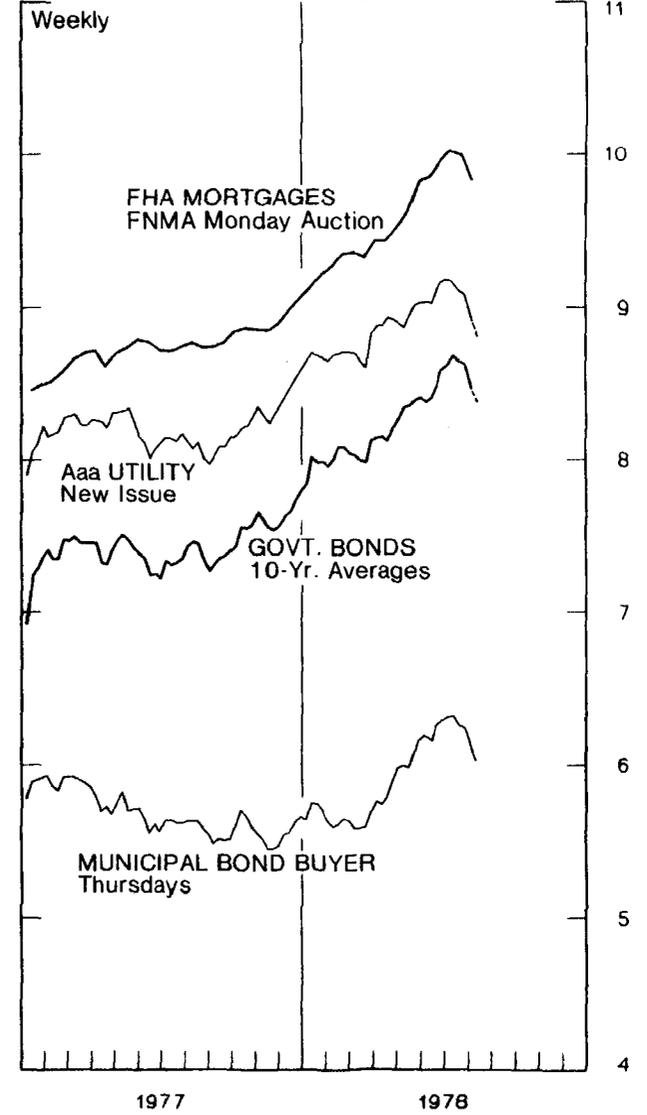
#### MONEY MARKET CONDITIONS Per cent



#### INTEREST RATES Short-term Per cent



#### INTEREST RATES Long-term Per cent



### Actual and Projected Reserves

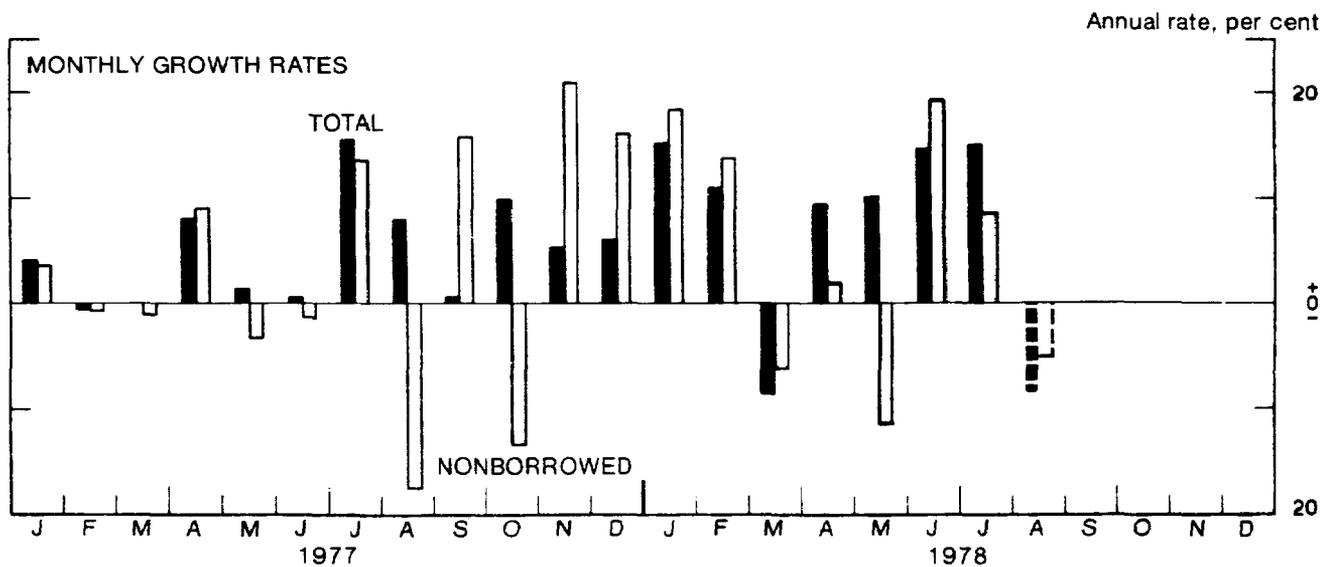
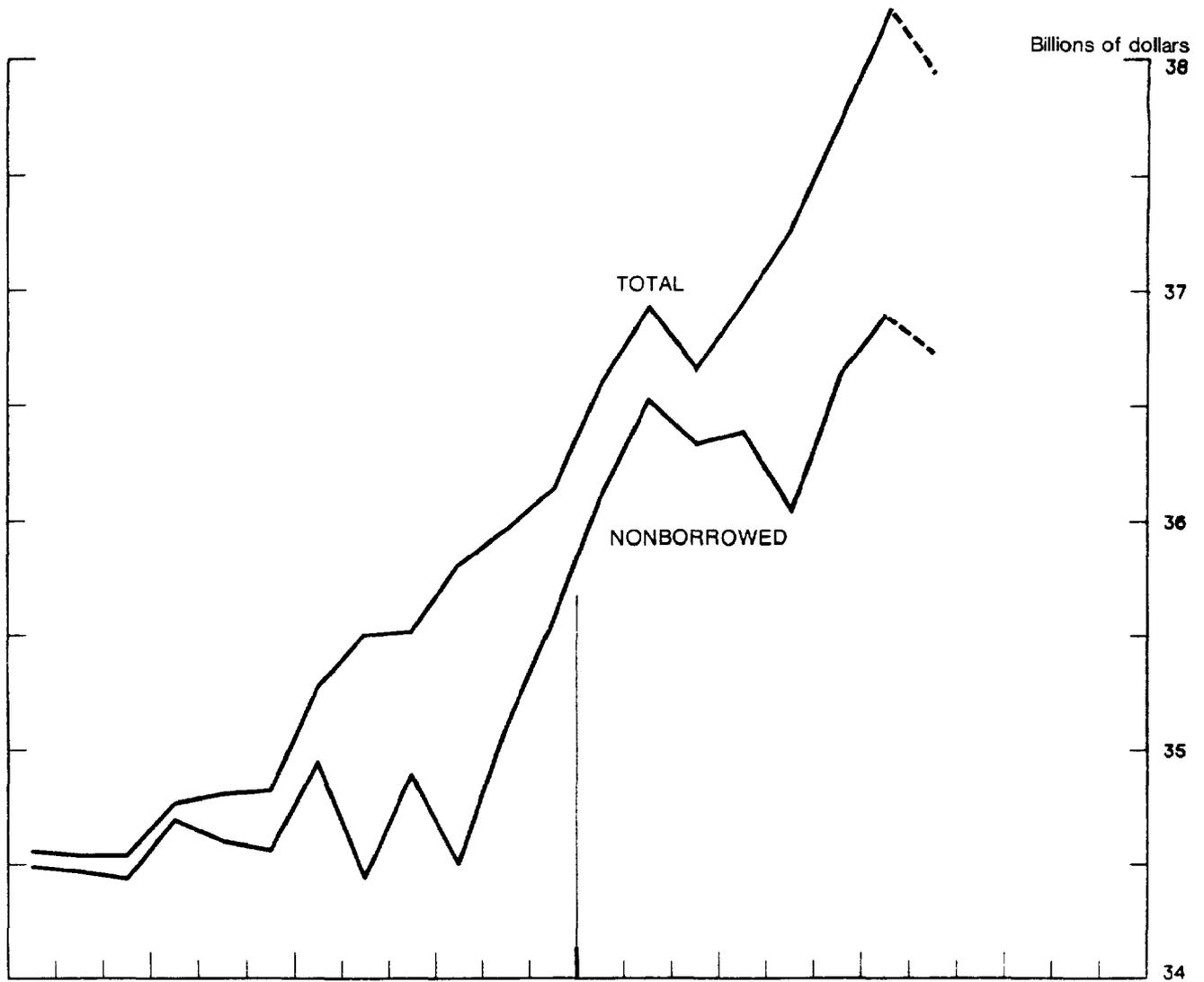


Table 1  
**MONETARY AGGREGATES**

CONFIDENTIAL (FR)  
 CLASS II-FOMC  
 AUG. 11, 1978

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>									
1978--MAY	348.6	835.1	7.3	573.6	486.5	222.0	264.5	87.1	68.2
JUNE	350.3	840.5	11.3	576.8	490.1	221.7	268.5	86.7	69.2
JULY	351.8	846.4	14.2	582.0	494.6	220.9	273.8	87.4	68.9
AUG.	(353.8)	(852.9)	( 15.0)	(585.6)	(499.1)	(221.0)	(278.0)	( 86.5)	
<b>% ANNUAL GROWTH</b>									
<b>QUARTERLY</b>									
1977--4TH QTR.	6.8	7.4		14.7	7.9	1.5	13.6	64.0	
1978--1ST QTR.	4.4	6.6		13.0	8.2	2.6	13.2	43.2	
2ND QTR.	11.0	9.1		9.9	7.7	1.3	13.2	22.9	
<b>QUARTERLY-AV</b>									
1977--4TH QTR.	7.5	8.2		13.1	8.6	5.4	11.6	44.9	
1978--1ST QTR.	5.6	6.9		13.4	7.9	2.6	12.7	50.0	
2ND QTR.	9.5	8.3		11.0	7.4	1.6	12.3	32.8	
<b>MONTHLY</b>									
1978--MAY	8.0	7.8		14.4	7.7	2.2	12.8	53.2	
JUNE	5.9	7.8		6.7	8.9	-1.6	18.1	-5.5	
JULY	5.1	8.4		10.8	11.0	-4.3	23.7	9.7	
AUG.	( 6.8)	( 9.2)		( 7.4)	( 10.9)	( 0.5)	( 18.4)	( -12.4)	
JULY-AUG.	( 6.0)	( 8.9)		( 9.2)	( 11.0)	( -1.9)	( 21.2)	( -1.4)	
<b>WEEKLY LEVELS--\$BIL</b>									
1978-JULY 5	353.9	846.5	12.5	579.4	492.5	221.2	271.3	86.9	65.3
12	352.0	845.3	13.6	581.1	493.3	221.2	272.1	87.8	64.8
19	349.2	843.7	15.1	582.3	494.5	220.8	273.7	87.8	73.1
26 P	352.0	847.8	15.6	583.1	495.8	220.8	274.9	87.3	71.5
AUG. 2 P	353.1	849.9	14.2	583.6	496.9	220.9	276.0	86.8	

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 1-A  
**TIME AND SAVINGS DEPOSITS AT ALL COMMERCIAL BANKS**

CONFIDENTIAL (FR)  
CLASS II-FOMC

SEASONALLY ADJUSTED EXCEPT AS NOTED

AUG. 11, 1978

Period	Total Time and Savings	Savings Deposits				Time Deposits			Memo: Large Negotiable CD's
		Total	Individual and Nonprofit	Business (NSA)	Government (NSA)	Total	Large Denomination	Small Denomination	
	1	2	3	4	5	6	7	8	9
<b>OUTSTANDING (\$ BILLIONS)</b>									
1977--NOV.	540.2	219.4	204.2	10.8	4.5	320.7	156.8	164.0	70.9
DEC.	545.2	219.6	204.2	10.8	4.5	325.7	160.6	165.0	74.0
1978--JAN.	551.0	220.7	205.2	10.5	5.0	330.3	164.1	166.2	76.3
FEB.	557.5	220.9	205.4	10.4	5.2	336.6	170.1	166.5	79.4
MAR.	562.9	221.0	205.6	10.4	5.0	342.0	173.7	168.2	82.0
APR.	566.8	221.6	206.4	10.4	4.9	345.2	175.4	169.7	83.4
MAY	573.6	222.0	206.7	10.5	4.7	351.6	180.5	171.1	87.1
JUNE	576.8	221.7	206.3	10.6	4.8	355.1	182.0	173.1	86.7
JULY	582.0	220.9	206.2	10.5	4.2	361.2	186.4	174.7	87.4
<b>CHANGES (\$ BILLIONS)</b>									
1977 YEAR	55.5	17.7	16.9	2.3	-1.6	37.9	23.9	13.9	11.3
<b>QUARTERLY AVERAGE:</b>									
1977--II	10.4	4.6	4.1	0.8	-0.2	5.7	-0.7	6.6	-0.3
III	13.1	3.9	4.7	0.4	-1.2	9.2	5.9	3.3	0.7
IV	17.1	2.9	3.3	0.3	-0.6	14.2	12.7	1.4	7.1
1978--I	18.0	1.4	1.2	-0.3	0.4	16.7	14.2	2.5	8.8
II	15.3	0.9	1.1	0.1	-0.3	14.3	10.0	4.3	6.5
<b>MONTHLY AVERAGE:</b>									
1977--DEC.	5.0	0.2	0.0	0.0	0.0	5.0	3.8	1.0	3.1
1978--JAN.	5.8	1.1	1.0	-0.3	0.5	4.6	3.5	1.2	2.3
FEB.	6.5	0.2	0.2	-0.1	0.2	6.3	6.0	0.3	3.1
MAR.	5.4	0.1	0.2	0.0	-0.2	5.4	3.6	1.7	2.6
APR.	3.9	0.6	0.8	0.0	-0.1	3.2	1.7	1.5	1.4
MAY	6.8	0.4	0.3	0.1	-0.2	6.4	5.1	1.4	3.7
JUNE	3.2	-0.3	-0.4	0.1	0.1	3.5	1.5	2.0	-0.4
JULY	5.2	-0.8	-0.1	-0.1	-0.6	6.1	4.4	1.6	0.7

NOTE: COLUMNS (1), (2), AND (9) ON THIS TABLE CORRESPOND TO COLUMNS (4), (6), AND (8), RESPECTIVELY, ON TABLE 1--MONETARY AGGREGATES. FIGURES IN COLUMNS (1), (2), AND (6) REFLECT DAILY DATA REPORTED BY MEMBER BANKS, WITH ESTIMATES FOR NONMEMBER BANKS DERIVED FROM DATA REPORTED BY SMALL MEMBER BANKS, BENCHMARKED TO NONMEMBER CALL REPORT FIGURES. SAVINGS DEPOSITS OF BUSINESS AND GOVERNMENTAL UNITS--COLUMNS (4) AND (5)-- AND LARGE DENOMINATION TIME DEPOSITS --COLUMN (7)--REFLECT BREAKDOWNS REPORTED EACH WEDNESDAY BY LARGE COMMERCIAL BANKS BLOWN UP TO REPRESENT DEPOSITS AT ALL COMMERCIAL BANKS ON THE BASIS OF CALL REPORT RELATIONSHIPS.

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

AUG. 11, 1978

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>							
1978--MAY	37,268	36,056	132,655	37,049	21,883	13,428	1,738
JUNE	37,726	36,632	133,873	37,548	22,151	13,575	1,823
JULY	38,208	36,891	134,846	38,007	22,217	13,612	2,177
AUG.	(37,945)	(36,731)	(135,048)	(37,798)	(22,269)	(13,633)	(1,895)
<b>PERCENT ANNUAL GROWTH</b>							
<b>QUARTERLY</b>							
1977--4TH QTR.	7.1	7.8	9.6	7.3	5.2	13.5	
1978--1ST QTR.	5.8	8.6	7.9	5.7	-1.1	12.9	
2ND QTR.	11.6	3.2	10.4	11.8	13.7	10.1	
<b>QUARTERLY--AV</b>							
1977--4TH QTR.	6.1	3.5	9.1	6.3	6.1	9.1	
1978--1ST QTR.	8.5	14.5	9.6	8.3	3.6	12.8	
2ND QTR.	6.3	0.4	8.0	7.0	5.0	11.5	
<b>MONTHLY</b>							
1978--MAY	10.2	-11.2	12.0	7.9	15.8	12.2	
JUNE	14.7	19.2	11.0	16.2	14.7	13.1	
JULY	15.3	8.5	8.7	14.7	3.6	3.3	
AUG.	(-8.3)	(-5.2)	(1.8)	(-6.6)	(2.8)	(1.9)	
JULY-AUG.	(3.5)	(1.6)	(5.3)	(4.0)	(3.2)	(2.6)	
<b>WEEKLY LEVELS--\$MILLIONS</b>							
1978--JULY							
5	38,792	37,599	134,999	38,073	22,024	13,529	2,519
12	37,209	36,306	133,771	37,436	21,987	13,562	1,887
19	39,235	37,646	135,839	38,863	22,579	13,633	2,651
26	37,928	36,468	134,748	37,925	22,268	13,660	1,997
AUG.							
2	37,974	36,535	134,947	37,656	22,153	13,671	1,832
9	37,840	36,961	134,427	37,752	22,281	13,647	1,824

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  
AUGUST 11, 1978

	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
1977	4,361	517	2,833	758	553	4,660	--	792	428	213	1,433	10,035	-2,892
1977--Qtr. II	2,126	109	526	171	152	959	--	406	251	68	726	3,666	4,175
Qtr. III	886	116	681	96	128	1,021	--	--	--	--	--	4,273	-2,331
Qtr. IV	186	99	628	166	108	1,001	--	386	177	145	707	-643	34
1978--Qtr. I	-2,655	345	1,123	459	247	2,175	--	--	--	--	--	-555	-1,133
Qtr. II	5,444	288	1,156	468	334	2,246	46	127	104	24	301	7,930	1,224
1978--Feb.	-2,695	--	--	--	--	--	--	--	--	--	--	-2,717	4,141
Mar.	668	288	813	370	147	1,618	--	--	--	--	--	2,233	1,874
Apr.	1,670	100	235	191	145	671	--	--	--	--	--	2,341	-1,026
May	-620	53	290	101	74	519	--	--	--	--	--	-135	-699
June	4,395	135	631	176	115	1,057	46	127	104	24	301	5,724	2,950
July	235	--	--	--	--	--	--	--	--	--	--	231	-2,536
1978--June 7	253	--	--	--	--	--	--	--	--	--	--	253	-3,973
14	361	--	--	--	--	--	--	--	--	--	--	333	-3,060
21	2,349	135	631	176	115	1,057	--	--	--	--	--	3,406	11,835
28	199	--	--	--	--	--	--	--	--	--	--	199	161
July 5	963	--	--	--	--	--	--	--	--	--	--	1,263	-10,119
12	-196	--	--	--	--	--	--	--	--	--	--	-196	7,080
19	532	--	--	--	--	--	--	--	--	--	--	532	3,024
26	169	--	--	--	--	--	--	--	--	--	--	165	-9,587
Aug. 2	--	--	--	--	--	--	--	--	--	--	--	-6	6,760
9	-689	--	--	--	--	--	-92	-81	--	--	-173	-863	-4,641
16													
23													
30													
LEVEL--Aug. 9	45.3	11.9	31.0	11.8	9.0	63.8	1.7	3.7	1.6	.9	8.0	117.0	-3.4

(in billions)

- 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  
AUGUST 11, 1978

	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
1977--High	7,234	3,017	295	487	513	1,861	131	-9,151	-13,975
Low	1,729	-1,445	0	116	-111	20	8	-4,234	- 8,206
1978--High	5,625	2,043	215	349	719	1,716	140	-8,224	-14,602
Low	278	*-1,076	0	123	-227	172	25	-2,839	- 8,273
1977--July	3,899	-309	143	209	275	323	60	-6,391	-11,012
Aug.	2,533	-933	71	199	200	1,084	102	-5,581	-11,452
Sept.	4,812	-313	128	230	209	626	112	-7,333	-11,120
Oct.	4,142	-360	83	186	210	1,305	112	-6,480	-11,511
Nov.	3,617	610	36	210	251	863	83	-6,971	-11,825
Dec.	4,257	804	195	367	193	570	55	-7,403	-11,350
1978--Jan.	4,127	327	42	293	268	484	32	-6,047	-12,299
Feb.	3,418	1,492	24	197	243	406	49	-4,980	-12,603
Mar.	2,713	740	96	268	200	328	47	-6,778	-11,060
Apr.	3,183	-183	46	202	149	557	44	-6,196	-12,998
May	1,203	5	25	264	219	1,212	92	-4,038	-11,653
June	2,847	78	35	188	178	1,094	120	-4,514	-12,202
July	*1,194	*-625	51	159	201p	1,317p	143p	-3,655p	-10,179p
1978--June 7	3,835	752	20	174	49	645	111	-6,400	-13,273
14	3,918	81	53	177	113	794	106	-5,075	-13,857
21	2,930	-470	56	211	226	1,194	123	-3,905	-12,784
28	1,554	-47	45	163	168	1,716	135	-2,922	-10,016
July 5	730	-96	45	156	719	1,193	140	-3,659	- 8,273
12	1,038	-661	75	165	-227	903	130	-4,707	-11,699
19	*626	*-1,076	63	123	372	1,589	134	-3,693	-10,261
26	*2,084	*-432	20	191	3p	1,460p	152p	-2,839	-10,110
Aug. 2	*1,569	*-298	0	184	318p	1,439p	166p	-3,265p	- 9,940p
9	*1,897p	*1,383p	15p	160p	90p	879p	175p	-5,153p	-11,347p
16									
23									
30									

NOTE: Government security dealer trading positions are on a commitment basis. Trading positions, which exclude Treasury securities financed 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.

TABLE 5  
SELECTED INTEREST RATES  
(per cent)

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC  
AUGUST 11, 1978

	Short-Term							Long-Term								
	Federal Funds	Treasury Bills			CD's New Issue- NYC	Comm. Paper 90-119	Bank Prime Rate	U.S. Govt.-Constant Maturity Yields			Corp.-Aaa Utility		Municipal Bond Buyer	Home Mortgages		
		Market	Auction	6-mo				3-yr	7-yr	20-yr	New Issue	Recently Offered		Primary Conv.	Secondary Market	FNMA Auc.
		3-mo	1-yr	90-Day	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)			
1977--High	6.65	6.27	6.62	6.51	6.70	6.66	7.75	7.39	7.70	7.99	8.36	8.48	5.93	9.00	8.98	8.39
Low	4.47	4.41	4.67	4.56	4.50	4.63	6.25	5.83	6.59	7.26	7.90	7.95	5.45	8.65	8.46	7.56
1978--High	7.94	7.15	7.84	7.52	8.00	7.88	9.00	8.56	8.57	8.72	9.18	9.22	6.32	9.78	10.02	9.20
Low	6.58	6.16	6.55	6.42	6.65	6.68	7.75	7.40	7.72	8.01	8.61	8.48	5.58	8.98	9.13	8.43
1977--July	5.42	5.19	5.57	5.35	5.28	5.38	6.75	6.51	7.12	7.60	8.15	8.12	5.63	8.95	8.72	7.96
Aug.	5.90	5.49	5.97	5.81	5.78	5.75	6.83	6.79	7.24	7.64	8.04	8.05	5.62	8.94	8.76	8.03
Sept.	6.14	5.81	6.13	5.99	6.01	6.09	7.13	6.84	7.21	7.57	8.07	8.07	5.51	8.90	8.74	8.02
Oct.	6.47	6.16	6.52	6.41	6.53	6.51	7.52	7.19	7.44	7.71	8.23	8.22	5.64	8.92	8.82	8.16
Nov.	6.51	6.10	6.52	6.43	6.56	6.54	7.75	7.22	7.46	7.76	8.28	8.25	5.49	8.92	8.86	8.19
Dec.	6.56	6.07	6.52	6.38	6.65	6.61	7.75	7.30	7.59	7.87	8.34	8.38	5.57	8.96	8.94	8.27
1978--Jan.	6.70	6.44	6.80	6.68	6.82	6.75	7.93	7.61	7.86	8.14	8.68	8.60	5.71	9.02	9.17	8.56
Feb.	6.78	6.45	6.86	6.74	6.77	6.76	8.00	7.67	7.94	8.22	8.69	8.67	5.62	9.15	9.31	8.64
Mar.	6.79	6.29	6.82	6.64	6.73	6.75	8.00	7.70	7.95	8.21	8.71	8.67	5.61	9.20	9.35	8.60
Apr.	6.89	6.29	6.96	6.70	6.84	6.82	8.00	7.85	8.06	8.32	8.90	8.85	5.80	9.36	9.44	8.71
May	7.36	6.41	7.28	7.02	7.20	7.06	8.27	8.07	8.25	8.44	8.95	8.98	6.03	9.57	9.66	8.90
June	7.60	6.73	7.53	7.20	7.66	7.59	8.63	8.30	8.40	8.53	9.09	9.07	6.22	9.70	9.91	9.05
July	7.81	7.01	7.79	7.47	8.00	7.85	9.00	8.54	8.55	8.69	9.14	9.18	6.28	9.74	10.01	9.15r
1978--June 7	7.47	6.61	7.35	7.10	7.35	7.34	8.50	8.16	8.30	8.47	9.04	9.06	6.18	9.70	--	9.02
14	7.49	6.63	7.41	7.12	7.58	7.54	8.50	8.19	8.35	8.47	9.03	8.96	6.16	9.73	9.86	8.95
21	7.53	6.73	7.56	7.23	7.70	7.66	8.71	8.40	8.46	8.55	9.13	9.10	6.26	9.70	--	9.05
28	7.78	6.87	7.71	7.40	8.00	7.75	8.75	8.51	8.50	8.63	9.16	9.18	6.29	9.73	9.96	9.16
July 5	7.72	6.99	7.74	7.45	8.00	7.78	8.96	8.51	8.52	8.68	9.18	9.20	6.31	9.73	--	9.16r
12	7.72	7.15	7.79	7.52	8.00	7.84	9.00	8.56	8.57	8.72	9.17	9.22	6.32	9.73	10.02	9.14r
19	7.94	7.08	7.80	7.50	8.00	7.88	9.00	8.55	8.56	8.69	9.12	9.19	6.26	9.75	--	9.14r
26	7.88	6.95	7.84	7.43	8.00	7.88	9.00	8.55	8.55	8.67	9.08	9.10	6.24	9.75	10.00	9.20
Aug. 2	7.89	6.78	7.71	7.36	7.88	7.81	9.00	8.36	8.40	8.49	8.90	8.91	6.12	9.78	--	9.10
9	7.83	6.76	7.56	7.17	7.85	7.78	9.00	8.20p	8.31p	8.41p	8.80p	8.89p	6.03	n.a.	9.82	8.89
16																
23																
30																
Daily--Aug. 3	7.85	6.80	7.59	--	--	7.80	9.00	8.27	8.36	8.41	--	--	--	--	--	--
10	7.82p	6.85	7.64	--	--	7.76	9.00	8.24p	8.36p	8.45p	--	--	--	--	--	--

NOTE: Weekly data for columns 1, 2, 3, 6, and 7 are statement week averages of daily data. Weekly data in column 4 are average rates set in the auctions of 6-month bills that will be issued on the Thursday following the end of the statement week. Data in column 5 are 1-day Wednesday quotes. For columns 8 through 11, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 12 and 13 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 14 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 15 gives FNMA auction data for Monday preceding the end of the statement week. Column 16 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
<b>ANNUALLY:</b> <sup>2/</sup>	(PER CENT ANNUAL RATES OF GROWTH)										
1975	-0.3	3.2	5.9	3.9	4.4	8.3	11.0	6.5	9.6	10.4	10.0
1976	1.0	1.2	7.0	8.0	5.7	10.9	12.8	7.1	10.3	9.8	10.0
1977	5.2	2.7	8.3	11.3	7.9	9.8	11.7	10.1	11.8	11.5	12.1
<b>SEMI-ANNUALLY:</b> <sup>2/</sup>											
1ST HALF 1977	3.5	2.9	7.3	11.3	7.6	10.1	11.3	9.3	10.8	10.2	10.7
2ND HALF 1977	6.8	2.6	9.0	10.7	7.9	9.1	11.5	10.3	12.1	12.3	12.7
1ST HALF 1978	7.5	7.4	8.9	11.4	7.6	7.7	7.9	10.6	9.7	9.7	10.6
<b>QUARTERLY:</b>											
3RD QTR. 1977	8.0	3.9	9.2	10.3	9.0	10.1	12.7	9.6	12.3	12.8	12.8
4TH QTR. 1977	7.1	7.8	9.6	9.5	6.8	7.4	9.4	11.6	11.8	12.0	13.3
1ST QTR. 1978	5.8	8.6	7.9	9.5	4.4	6.6	7.1	9.7	9.0	9.1	10.3
2ND QTR. 1978	11.6	3.2	10.4	13.5	11.0	9.1	8.6	10.3	9.4	9.6	9.6
<b>QUARTERLY-AV:</b>											
3RD QTR. 1977	7.3	1.7	8.8	11.1	8.1	9.9	11.9	9.5	11.6	11.5	11.8
4TH QTR. 1977	6.1	3.5	9.1	9.9	7.5	8.2	10.7	10.9	12.3	12.6	13.3
1ST QTR. 1978	6.5	14.5	9.6	9.6	5.6	6.9	7.7	10.4	9.8	10.0	11.4
2ND QTR. 1978	6.3	0.4	8.0	13.0	9.5	8.3	8.0	10.4	9.4	9.1	9.5
<b>MONTHLY:</b>											
1977--JULY	15.5	13.5	11.1	12.8	11.8	13.5	14.0	11.9	12.9	13.3	13.5
AUG.	7.8	-17.4	8.4	10.5	6.2	7.7	11.7	7.5	11.5	12.4	12.3
SEPT.	0.5	15.7	8.0	7.2	8.7	9.0	12.2	9.2	12.2	12.3	12.1
OCT.	9.8	-13.4	10.0	12.9	11.2	9.8	11.9	12.7	13.5	14.0	14.6
NOV.	5.3	20.9	8.1	9.2	0.7	5.8	8.1	11.6	11.6	11.9	13.5
DEC.	5.9	16.1	10.4	6.3	8.2	6.3	7.9	10.0	10.1	9.7	11.3
1978--JAN.	15.2	18.3	13.5	13.6	10.3	9.5	9.1	11.8	10.5	11.4	12.5
FEB.	10.9	13.7	7.0	7.9	-0.7	4.7	5.7	8.5	7.9	8.1	9.3
MAR.	-8.6	-6.2	3.0	6.9	3.5	5.6	6.5	8.7	8.3	7.7	8.8
APR.	9.4	1.9	7.8	18.5	19.0	11.5	9.8	12.3	10.4	9.3	9.7
MAY	10.2	-11.2	12.0	15.6	8.0	7.8	7.6	11.8	10.1	10.3	10.0
JUNE	14.7	19.2	11.0	6.0	5.9	7.8	8.4	6.5	7.6	9.0	8.8
JULY	15.3	8.5	8.7	16.7	5.1	8.4	10.0	8.5	10.0	10.2	10.2

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>											
1975	33,969	33,839	110,345	726.2	294.5	664.1	1091.8	745.4	1173.2	1307.3	1350.3
1976	34,441	34,388	118,062	788.9	312.6	739.6	1235.6	802.3	1298.3	1436.7	1484.0
1977	36,143	35,573	127,971	875.5	337.2	808.4	1375.0	882.4	1449.0	1602.3	1665.8
<b>MONTHLY:</b>											
1977--JULY	35,271	34,948	123,294	842.6	327.5	782.9	1317.2	845.8	1380.0	1524.2	1580.0
AUG.	35,501	34,440	124,155	850.0	329.2	787.9	1330.0	851.1	1393.2	1539.9	1596.2
SEPT.	35,517	34,892	124,984	855.1	331.6	793.8	1343.5	857.6	1407.4	1555.7	1612.3
OCT.	35,808	34,503	126,025	864.3	334.7	800.3	1356.8	866.7	1423.2	1573.8	1631.9
NOV.	35,965	35,103	126,872	870.9	334.9	804.2	1366.0	875.1	1436.9	1589.4	1650.2
DEC.	36,143	35,573	127,971	875.5	337.2	808.4	1375.0	882.4	1449.0	1602.3	1665.8
1978--JAN.	36,600	36,116	129,409	885.4	340.1	814.8	1385.4	891.1	1461.7	1617.5	1683.2
FEB.	36,933	36,528	130,159	891.2	339.9	818.0	1392.0	897.4	1471.3	1628.4	1696.3
MAR.	36,667	36,339	130,484	896.7	340.9	821.8	1399.5	903.9	1481.5	1638.9	1708.7
APR.	36,954	36,397	131,337	910.5	346.3	829.7	1410.9	913.2	1494.3	1651.6	1722.5
MAY	37,268	36,056	132,655	922.3	348.6	835.1	1419.8	922.2	1506.9	1665.8	1736.9
JUNE	37,726	36,632	133,873	926.9	350.3	840.5	1429.7	927.2	1516.4	1678.3	1749.7
JULY P	38,208	36,891	134,846	939.8	351.8	846.4	1441.6	933.8	1529.0	1692.5	1764.5
<b>WEEKLY:</b>											
1978--JUNE											
7	37,093	36,448	133,018		351.7	841.0		928.4			
14	38,092	37,299	134,068		351.1	840.7		928.0			
21	37,886	36,692	134,039		349.2	839.4		925.6			
28	37,529	35,813	134,045		350.0	841.3		927.1			
JULY											
5	38,792	37,599	134,999		353.9	846.5		933.4			
12	37,209	36,306	133,771		352.0	845.3		933.1			
19	39,235	37,646	135,839		349.2	843.7		931.4			
26P	37,928	36,468	134,748		352.0	847.8		935.1			
AUG.											
2P	37,974	36,535	134,947		353.1	849.9		936.7			

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. DATA SHOWN IN MILLIONS OF DOLLARS.

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>	Other Private Short-term Assets <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)												
<b>ANNUALLY:</b> <sup>2/</sup>												
1975	8.9	2.9	7.9	11.7	17.5	7.8	-6.4	15.3	19.5	6.2	33.8	-0.7
1976	9.6	4.4	8.0	15.0	25.0	7.4	-23.4	15.5	18.8	6.9	5.5	13.9
1977	9.5	7.3	11.5	11.3	11.1	11.4	12.8	14.2	19.4	6.6	12.3	27.5
<b>SEMI-ANNUALLY:</b> <sup>2/</sup>												
1ST HALF 1977	8.7	7.2	10.4	11.9	15.3	8.9	0.6	12.9	16.6	6.4	2.7	25.6
2ND HALF 1977	9.8	7.2	11.9	10.0	6.4	13.3	24.9	14.5	20.6	6.5	21.6	26.1
1ST HALF 1978	9.8	6.9	12.4	7.7	2.1	12.7	43.5	7.6	17.4	6.3	12.6	34.6
<b>QUARTERLY:</b>												
3RD QTR. 1977	10.0	8.7	9.9	10.8	10.9	10.8	3.2	16.2	21.7	6.5	30.0	12.4
4TH QTR. 1977	10.7	5.4	14.7	7.9	1.5	13.6	64.0	11.6	18.8	6.4	20.3	48.1
1ST QTR. 1978	9.5	2.6	13.0	8.2	2.6	13.2	43.2	6.9	17.9	6.3	15.1	40.4
2ND QTR. 1978	9.7	11.5	9.9	7.7	1.3	13.2	22.9	7.3	14.7	5.7	16.6	9.2
<b>QUARTERLY-AV:</b>												
3RD QTR. 1977	9.1	7.7	10.3	11.2	7.3	14.6	4.5	14.6	20.1	7.0	15.7	18.6
4TH QTR. 1977	10.3	6.6	13.1	8.6	5.4	11.6	44.9	13.9	20.0	5.9	26.4	32.0
1ST QTR. 1978	10.5	3.9	13.4	7.9	2.6	12.7	50.0	8.1	18.2	6.3	17.9	46.8
2ND QTR. 1978	8.9	9.8	11.0	7.4	1.6	12.3	32.8	6.8	15.8	6.2	7.1	20.1
<b>MONTHLY:</b>												
1977--JULY	12.8	11.0	11.9	14.9	6.2	22.8	-9.5	14.3	19.8	8.1	26.5	19.7
AUG.	5.6	6.9	8.3	8.4	16.3	1.5	7.6	17.1	19.5	6.4	38.0	10.8
SEPT.	11.2	7.9	9.2	8.9	10.0	7.9	11.4	16.6	24.7	4.8	23.5	6.4
OCT.	11.1	11.3	13.7	9.1	4.4	13.3	48.9	14.0	21.5	6.4	31.2	29.7
NOV.	8.3	-1.9	18.7	9.5	-1.1	18.5	81.3	11.0	15.8	6.3	24.0	57.9
DEC.	12.3	6.8	11.1	4.9	1.1	8.6	52.5	9.5	18.2	6.3	4.7	51.3
1978--JAN.	10.8	10.1	12.8	8.9	6.0	11.4	37.3	7.8	17.9	6.3	32.9	43.5
FEB.	9.4	-4.3	14.2	8.6	1.1	15.1	48.8	6.2	15.2	6.2	13.7	40.2
MAR.	8.0	1.9	11.6	7.0	0.5	12.6	39.3	6.6	20.0	6.2	-1.5	33.6
APR.	7.9	23.5	8.3	6.2	3.3	8.3	20.5	6.6	14.7	6.2	-7.5	18.9
MAY	11.8	6.1	14.4	7.7	2.2	12.8	53.2	6.8	12.1	6.1	18.2	5.1
JUNE	9.1	4.7	6.7	8.9	-1.6	18.1	-5.5	8.5	16.8	4.6	38.9	3.4
JULY P	5.2	5.1	10.8	11.0	-4.3	23.7	9.7	11.6	18.9	7.6	17.4	10.1

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

<sup>2/</sup> BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY.

## 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 Sec <sup>1/</sup>	Other Private Short-term Assets <sup>1/ 2/</sup>	Non-Deposit Funds <sup>3/</sup>	Total Gov't Demand Deposits <sup>4/</sup>	
			Total	Other Than CD's										CD's
				Total	Savings	Other								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>ANNUALLY:</b>														
1975	73.7	220.8	450.9	369.6	160.5	209.1	81.3	394.8	33.0	67.2	66.9	43.0	34.4	8.3
1976	80.7	231.9	489.7	427.0	201.9	225.1	62.7	456.9	39.1	71.9	66.6	47.3	51.0	11.2
1977	88.6	248.6	545.2	471.2	219.6	251.6	74.0	519.8	46.8	76.6	76.7	63.4	62.0	11.4
<b>MONTHLY:</b>														
1977--JULY	85.1	242.3	518.3	455.5	214.1	241.4	62.8	491.2	43.1	74.7	69.4	55.8	53.5	11.8
AUG.	85.5	243.7	521.9	458.7	217.0	241.7	63.2	498.2	43.8	75.1	71.6	56.3	55.7	10.2
SEPT.	86.3	245.3	525.9	462.1	218.8	243.3	63.8	505.1	44.7	75.4	73.0	56.6	57.5	10.7
OCT.	87.1	247.6	531.9	465.6	219.6	246.0	66.4	511.0	45.5	75.8	74.9	58.0	58.1	10.3
NOV.	87.7	247.2	540.2	469.3	219.4	249.8	70.9	515.7	46.1	76.2	76.4	60.8	60.1	6.7
DEC.	88.6	248.6	545.2	471.2	219.6	251.6	74.0	519.8	46.8	76.6	76.7	63.4	62.0	11.4
1978--JAN.	89.4	250.7	551.0	474.7	220.7	254.0	76.3	523.2	47.5	77.0	78.8	65.7	65.3	9.7
FEB.	90.1	249.8	557.5	478.1	220.9	257.2	79.4	525.9	48.1	77.4	79.7	67.9	66.6	7.5
MAR.	90.7	250.2	562.9	480.9	221.0	259.9	82.0	528.8	48.9	77.8	79.6	69.8	67.0	7.9
APR.	91.3	255.1	566.8	483.4	221.6	261.7	83.4	531.7	49.5	78.2	79.1	70.9	68.1	8.3
MAY	92.2	256.4	573.6	486.5	222.0	264.5	87.1	534.7	50.0	78.6	80.3	71.2	68.2	7.3
JUNE	92.9	257.4	576.8	490.1	221.7	268.5	86.7	538.5	50.7	78.9	82.9	71.4	69.2	11.3
JULY P	93.3	258.5	582.0	494.6	220.9	273.8	87.4	543.7	51.5	79.4	84.1	72.0	68.9	14.2
<b>WEEKLY:</b>														
1978--JUNE														
7	92.9	258.9	576.7	489.3	222.2	267.1	87.4						68.5	8.6
14	92.8	258.3	576.9	489.6	222.0	267.6	87.4						69.0	7.6
21	92.9	256.3	576.4	490.2	221.6	268.6	86.2						69.9	15.3
28	93.2	256.8	577.1	491.3	221.5	269.8	85.8						70.3	11.0
JULY														
5	93.1	260.8	579.4	492.5	221.2	271.3	86.9						65.3	12.5
12	93.3	258.7	581.1	493.3	221.2	272.1	87.8						64.8	13.6
19	93.2	255.9	582.3	494.5	220.8	273.7	87.8						73.1	15.1
26P	93.5	258.6	583.1	495.8	220.8	274.9	87.3						71.5	15.6
AUG. 2P	93.6	259.4	583.6	496.9	220.9	276.0	86.8							14.2

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

2/ INCLUDES PRIVATE DOMESTIC NONFINANCIAL INVESTORS' HOLDINGS OF COMMERCIAL PAPER, BANKERS ACCEPTANCES, SECURITY RP'S AND MONEY MARKET MUTUAL FUND SHARES.

3/ BORROWINGS BY BANKS 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.

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

P - PRELIMINARY