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SUPPLEMENT  
CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the  
Federal Open Market Committee

By the Staff  
Board of Governors  
of the Federal Reserve System

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THE DOMESTIC FINANCIAL SITUATION

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MONETARY AGGREGATES  
(Based on seasonally adjusted data unless otherwise noted)<sup>1</sup>

	1980		1981			Mar. '80	Mar. '81 <sup>e</sup>
	Q3	Q4	Q1 <sup>e</sup>	Jan.	Feb.	Mar. <sup>e</sup>	
---- Percentage change at annual rates ----							
<u>Money stock measures</u>							
1. M-1A	11.5	8.1	-19.2	-37.4	-21.9	-3.6	-2.1
2. (Adjusted) <sup>2</sup>			(-.6)	(2.5)	(-3.1)	(8.7)	
3. M-1B	14.6	10.8	5.1	12.2	3.5	12.4	7.7
4. (Adjusted) <sup>2</sup>			(.4)	(2.9)	(-2.0)	(8.7)	
5. M-2	16.0	9.1	7.0	5.7	7.6	16.5	10.3
6. M-3	13.0	11.6	10.6	12.9	8.7	9.2	10.8
<u>Selected components</u>							
7. Currency	11.3	9.2	5.2	2.1	7.2	6.1	8.3
8. Demand deposits	11.5	7.7	-29.6	-54.5	-34.7	-8.7	-6.4
9. Other checkable deposits, NSA	75.5	54.9	360.8	717.3	218.9	126.6	207.6
10. M-2 minus M-1B (11+12+13+16)	16.4	8.5	7.6	3.5	9.0	17.8	11.2
11. Overnight RPs and Eurodollars, NSA <sup>3</sup>	135.6	15.4	0.0	18.7	-25.8	33.9	24.7
12. Money market mutual fund shares, NSA	75.7	-15.5	84.0	77.6	174.0	168.8	73.1
13. Commercial banks	11.3	10.8	4.4	1.0	0.7	4.2	8.9
14. savings deposits	27.5	1.7	-35.5	-54.9	-29.1	-16.6	-6.6
15. small time deposits	0.7	17.1	30.8	36.3	17.8	16.4	19.9
16. Thrift institutions	9.5	9.5	1.6	-3.5	-3.2	5.7	6.3
17. savings deposits	28.1	-3.1	-37.1	-46.2	-33.6	-23.5	-9.6
18. small time deposits	1.1	15.7	19.8	15.4	9.6	17.5	14.2
19. Large time deposits	-11.6	25.3	35.5	52.3	21.8	-24.6	12.5
20. at commercial banks, net <sup>4</sup>	-16.3	20.7	35.4	55.7	21.3	-29.2	8.9
21. at thrift institutions	14.6	47.7	37.8	36.0	24.2	-2.6	33.1
22. Term RPs, NSA	47.8	41.5	12.2	75.6	-27.8	-88.7	21.5
--Average monthly change in billions of dollars--							
<u>MEMORANDA:</u>							
23. Managed liabilities at commercial banks (24+25)	-0.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24. Large time deposits, gross	0.4	6.2	5.1	10.7	7.3	-2.6	3.0
25. Nondeposit funds	-0.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26. Net due to related foreign institutions, NSA	-1.9	-0.7	-3.0	1.6	0.1	-4.7	-12.5
27. Other <sup>5</sup>	1.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28. U.S. government deposits at commercial banks <sup>6</sup>	1.3	-1.7	0.9	0.4	-0.2	2.6	0.2

1. Quarterly growth rates are computed on a quarterly average basis.

2. Figures in parentheses have been adjusted to remove the distorting effects since the beginning of 1981 of shifts of funds out of demand deposits and other accounts into NOW accounts. Based on a variety of evidence, it is estimated that 80 percent of inflows into other checkable deposits--in excess of "trend"--was from demand deposits in January, and 75 percent in February and March.

3. Overnight and continuing contract RPs issued to the nonbank public by commercial banks, net of amounts held by money market mutual funds, plus overnight Eurodollar deposits issued by Caribbean branches of U.S. member banks to U.S. nonbank customers.

4. Net of large denomination time deposits held by money market mutual funds and thrift institutions.

5. Consists of 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 (including borrowings from the Federal Reserve), loans sold to affiliates, loan RPs, and other minor items.

6. Consists of Treasury demand deposits at commercial banks and Treasury note balances.

n.a.--Not available. e--estimated.

COMMERCIAL BANK CREDIT AND SHORT- AND INTERMEDIATE-TERM BUSINESS CREDIT  
(Percentage changes at annual rates, based on seasonally adjusted data)<sup>1</sup>

	1980				1981		Feb. '80 to Feb. '81
	Q2	Q3	Q4	Dec.	Jan.	Feb.	
----- Commercial Bank Credit -----							
1. Total loans and investments at banks <sup>2</sup>	-4.1	12.9	14.6	12.8	15.7	8.3	8.4
2. Investments	11.8	20.7	11.9	7.4	19.2	9.8	14.5
3. Treasury securities	13.1	39.1	11.1	2.2	31.4	18.0	21.2
4. Other securities	11.4	11.5	12.3	10.2	13.5	5.0	11.2
5. Total loans <sup>2</sup>	-9.4	10.2	15.7	14.9	14.3	7.6	6.3
6. Business loans <sup>2</sup>	-9.3	15.3	21.1	15.3	17.3	5.8	9.7
7. Security loans	-17.1	-10.2	60.1	64.7	75.0	-32.1	4.0
8. Real estate loans	1.8	4.6	11.0	11.6	6.4	11.9	6.9
9. Consumer loans	-16.9	-7.6	-0.2	2.7	-2.1	n.a.	n.a.
-- Short- and Intermediate-Term Business Credit --							
10. Total short- and intermediate-term business credit (sum of lines 14, 15 and 16)	2.6	8.8	14.7	11.7	15.5	n.a.	n.a.
11. Business loans net of bankers acceptances	-10.7	14.3	24.2	19.1	15.1	5.2	10.0
12. Commercial paper issued by nonfinancial firms <sup>3</sup>	62.6	-19.3	-3.0	18.7	36.8	23.8	20.2
13. Sum of lines 11 & 12	-2.9	10.1	21.1	19.1	17.4	7.3	11.0
14. Line 13 plus loans at foreign branches <sup>4</sup>	-0.6	9.6	19.6	18.2	18.6	11.1	11.6
15. Finance company loans to business <sup>5</sup>	-2.3	-4.6	14.6	22.4	22.0	n.a.	n.a.
16. Total bankers acceptances outstanding <sup>5</sup>	31.5	21.0	-15.7	-42.9	-13.3	n.a.	n.a.

1. Average of Wednesdays for domestic chartered banks and average of current and preceding ends of months for foreign-related institutions.

2. Loans include outstanding amounts of loans reported as sold outright to a bank's own foreign branches, unconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and unconsolidated nonbank subsidiaries of the holding company.

3. Average of Wednesdays.

4. Loans at foreign branches are loans made to U.S. firms by foreign branches of domestic-chartered banks.

5. Based on average of current and preceding ends of months.

n.a.--not available.

SELECTED FINANCIAL MARKET QUOTATIONS<sup>1</sup>  
(Percent)

	1980		1981		Change from:	
	Mid June* Low	Dec. High	FOMC Feb. 3	Mar. 26	Dec. High	FOMC Feb. 3
<u>Short-term rates</u>						
Federal funds <sup>2</sup>	8.99	19.83	17.19	13.48	-6.35	-3.71
Treasury bills						
3-month	6.18	17.14	14.85	12.97	-4.17	-1.88
6-month	6.60	15.74	13.90	12.65	-3.09	-1.25
1-year	7.00	14.06	12.92	12.21	-1.85	-.71
Commercial paper						
1-month	7.98	20.77	16.86	13.49	-7.28	-3.37
3-month	7.78	19.88	15.98	13.39	-6.49	-2.59
6-month	7.59	18.58	14.92	13.08	-5.50	-1.84
Large negotiable CDs <sup>3</sup>						
1-month	7.96	21.29	16.71	13.70	-7.59	-3.01
3-month	7.90	20.90	16.50	13.88	-7.02	-2.62
6-month	7.66	19.19	15.93	14.02	-5.17	-1.91
Eurodollar deposit <sup>2</sup>						
1-month	8.88	22.54	17.56	13.84	-8.70	-3.72
3-month	8.99	21.36	17.23	14.31	-7.05	-2.92
Bank prime rate	12.00	21.50	19.50	17.50	-4.00	-2.00
<u>Intermediate- and long-term rates</u>						
U.S. Treasury (constant maturity)						
3-year	8.56	14.41	13.48	13.64	-.77	.16
10-year	9.47	13.57	12.98	13.34	-.23	.36
30-year	9.49	13.17	12.61	12.92	-.25	.31
Municipal (Bond Buyer)	7.44	10.56	9.91 <sup>4</sup>	9.81 <sup>4</sup>	-.75	-.10
Corporate Aaa						
New issue	10.53	14.51	14.06	--	--	--
Recently offered	10.79	15.03	14.08 <sup>5</sup>	13.99 <sup>5</sup>	-1.04	-.09
Primary conventional mortgages	12.35	14.95	15.07 <sup>5</sup>	15.40 <sup>5</sup>	.45	.33
	Mid-Oct. High	Mar.-Apr. Low	FOMC Feb. 3	Mar.26	Percent change from: Mar-Apr Low Feb.3	
<u>Stock Prices</u>						
Dow-Jones Industrial	972.44	759.13	941.38	1005.76	+32	+7
NYSE Composite	77.24	55.30	73.46	78.43	+42	+7
AMEX Composite	363.33	215.69	335.87	361.32	+68	+8
NASDAQ (OTC)	199.43	124.09	193.56	209.53	+69	+8

1. One-day quotes except as noted.

2. Averages for statement week closest to date shown.

3. Secondary market.

4. One-day quotes for preceding Thursday.

5. One-day quotes for preceding Friday.

\* Most lows occurred on or around June 13.