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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

July 16, 1976

MONETARY AGGREGATES AND  
MONEY MARKET CONDITIONS

Recent Developments

(1)  $M_1$  declined at a 1.2 per cent annual rate in June. Although growth is expected to resume in July, expansion over the June-July period is now projected at only a  $2\frac{1}{2}$  per cent annual rate, below the  $3\frac{1}{2}$  per cent lower bound of the Committee's operating range. Growth in  $M_2$  slowed to a  $5\frac{1}{2}$  per cent annual rate in June, mainly because of the weakness in  $M_1$ . However, expansion in the time and savings deposit component of  $M_2$  also slowed somewhat; passbook savings declined and growth in small-denomination time deposits slackened, but there was a partially offsetting increase in large non-negotiable CD's. These shifts apparently were prompted by the higher interest rates generally available on market instruments and on bank CD's following the increases of May. However, growth in bank time and savings deposits (other than CD's) strengthened considerably in early July, and for the June-July period,  $M_2$  is now projected to expand at a  $7\frac{3}{4}$  per cent rate, close to the mid-point of the Committee's range. Deposit growth slowed in June at thrift institutions also.

Growth in Monetary Aggregates  
over June-July Period  
(SAAR in per cent)

	<u>Ranges</u>	<u>Latest Estimates</u>
$M_1$	$3\frac{1}{2}$ to $7\frac{1}{2}$	2.6
$M_2$	6 to 10	7.7

Memo:

Federal funds rate  
(per cent per annum)

<u>Avg. for statement</u>	
<u>week ending</u>	
June 23	5.45
30	5.58
July 7	5.37
14	5.27

(2) In the week following the June 22 Committee meeting, incoming data suggested that over the June-July period  $M_1$  and  $M_2$  would expand at rates not far from--although slightly below--the mid-points of their respective ranges. Accordingly, the Desk aimed at reserve availability consistent with maintaining the then-prevailing Federal funds rate of 5-1/2 per cent. The projected growth rates in the aggregates were lowered in the two subsequent weeks, however, and the Desk became more accommodative in its reserve provision, seeking to move the Federal funds rate toward 5-3/8 per cent in the July 7 statement week and toward 5-1/4 per cent in the July 14 week. Data becoming available in the current statement week have tended to support the expectation of a low  $M_1$  growth rate, but the projection for  $M_2$  has been raised somewhat. Under the circumstances, the Desk is continuing to aim for an average funds rate around 5-1/4 per cent.

(3) Nonborrowed reserves appear to be increasing in the June-July period at about a 4-1/2 per cent annual rate, less than the rate the staff had thought would be consistent with the mid-points of the short-run ranges for the monetary aggregates adopted by the FOMC at its last meeting.<sup>1/</sup> This shortfall is due entirely to the slower-than-expected growth in demand deposits, and therefore, in required reserves. The shortfall would have been even greater had not the average level of excess reserves in the period been raised substantially above projections by an unusually large buildup of excess reserves during the July 7 statement week.

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<sup>1/</sup> Appendix A contains a discussion of the actual behavior of nonborrowed reserves in the weeks between the June and July meetings relative to the behavior that was expected to be consistent with the Committee's short-run ranges for monetary growth. (As indicated, the comments in the text above apply to the 2-month June-July period.)

(4) Short-term interest rates have fallen 20 to 40 basis points since the June Committee meeting. Following a period of stability in late June, most rates began to move down near the end of the month, and they declined further in early July as market participants responded to the decline in the Federal funds rate. Business short-term credit demands expanded somewhat in June for the second successive month, but the rise was confined to the commercial paper market; businesses resumed their paydown of bank debt. The Treasury continued to run off bills in its weekly auctions in June and early July. However, with borrowing needs substantially greater in the third quarter than in the second quarter, the Treasury has gradually reduced the volume of bills redeemed weekly and it has announced that it will roll over all maturing issues in next Monday's bill auction.

(5) The declines in short-term rates in early June were accompanied by reductions in bond yields of about 5 to 15 basis points. Bond markets also were favorably influenced by the data that became available during the period on prices and economic activity and by the prospect of a greatly reduced calendar of new corporate and municipal bond issues in July and August. For home mortgages, interest rates in the primary market continued to edge higher until early July.

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

	Calendar Year	Past Twelve Months	Past Six Months	Past Three Months	Past Month
	1975	June '76 over June '75	June '76 over Dec. '75	June '76 over Mar. '75	June '76 over May '76
Nonborrowed reserves	1.3	-.2	-1.2	3.1	6.6
Total reserves	-.4	-.4	-1.2	3.9	7.0
Monetary Base	5.8	6.3	6.7	8.8	6.9
<u>Concepts of Money</u>					
M <sub>1</sub> (currency plus demand deposits) <u>1/</u>	4.1	4.1	5.6	6.7	-1.2
M <sub>2</sub> (M <sub>1</sub> plus time deposits at commercial banks other than large CD's)	8.5	9.0	10.8	9.8	5.2
M <sub>3</sub> (M <sub>2</sub> plus deposits at thrift institutions)	11.3	11.4	12.0	11.0	7.5
M <sub>4</sub> (M <sub>2</sub> plus CD's)	6.4	6.1	6.3	7.6	8.5
M <sub>5</sub> (M <sub>3</sub> plus CD's)	9.7	9.3	9.0	9.5	9.4
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	3.9	3.1	3.1	4.9	16.3
Loans and investments of commercial banks <u>2/</u>	4.4	4.7	4.9	4.3	2.1
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-.6	-1.1	-2.1	-.9	2.4
Nonbank commercial paper	-.2	.1	.5	.6	.8

1/ Other than interbank and U.S. Government.

2/ Based on month-end figures. Includes loans sold to affiliates and branches.  
NOTE: All items are based on averages of daily figures, except for data on total loans and investments of commercial banks, commercial paper, and thrift institutions--which are derived from either end-of-month or last Wednesday-of-month figures. Growth rates for reserve measures in this and subsequent tables are adjusted to remove the effect of discontinuities from breaks in the series when reserve requirements are changed.

Prospective developments

(7) Shown below for the Committee's consideration are three alternative sets of longer-run growth ranges for the monetary aggregates, together with the current ranges for the QI '76 to QI '77 period adopted by the Committee in April. The alternatives pertain to the one-year period from QII '76 to QII '77. More detailed figures, including quarterly average levels and growth rates based on mid-point paths, are shown in the tables on pages 5a and 5b. Projected patterns for the Federal funds rate are shown for the three alternatives in Appendix table II.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Current</u>
M <sub>1</sub>	5½ to 8	4½ to 7	3½ to 6	4½ to 7
M <sub>2</sub>	9 to 11½	7½ to 10	6½ to 9	7½ to 10
M <sub>3</sub>	9½ to 12½	8 to 11	7 to 10	9 to 12
Credit Proxy	5½ to 8½	5 to 8	4½ to 7½	6 to 9

(8) Of the three alternatives, B encompasses the current range for M<sub>1</sub>, which is centered on a 5½ per cent growth rate. The current 7½ to 10 per cent range for M<sub>2</sub> appears to be generally consistent with that M<sub>1</sub> range. However, on the basis of recent experience, it appears that the pattern of gradually rising short-term interest rates anticipated under B would lead to a slowing of inflows to thrift institutions more consistent with an 8 to 11 per cent range for M<sub>3</sub>. In connection with the M<sub>3</sub> range, it might be noted that the Committee did not reduce the upper bound at its April meeting when it lowered the upper limits for M<sub>1</sub> and M<sub>2</sub>.

Alternative Levels and Growth Rates for Key Monetary Aggregates

		<u>M<sub>1</sub></u>			<u>M<sub>2</sub></u>			<u>M<sub>3</sub></u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1976	June	303.0	303.0	303.0	700.2	700.2	700.2	1158.4	1158.4	1158.4
	July	304.6	304.6	304.6	706.2	706.2	706.2	1169.4	1169.4	1169.4
	August	306.5	306.3	306.0	712.8	712.1	711.4	1182.0	1180.9	1179.7
1976	QII	302.7	302.7	302.7	696.4	696.4	696.4	1150.2	1150.2	1150.2
	QIII	306.5	306.3	306.0	712.8	711.9	711.1	1181.8	1180.4	1179.1
	QIV	312.3	311.3	310.2	732.2	728.0	724.9	1217.1	1209.4	1203.7
1977	QI	318.1	316.0	313.5	749.7	742.3	736.7	1247.8	1233.9	1224.7
	QII	323.3	320.1	316.9	765.9	756.3	748.7	1276.6	1258.5	1246.5
<u>Growth Rates</u>										
Monthly:										
1976	July	6.3	6.3	6.3	10.3	10.3	10.3	11.4	11.4	11.4
	August	7.5	6.7	5.5	11.2	10.0	8.8	12.9	11.8	10.6
Quarterly Average:										
1976	QIII	5.0	4.8	4.4	9.4	8.9	8.4	11.0	10.5	10.1
	QIV	7.6	6.5	5.5	10.9	9.0	7.8	11.9	9.8	8.3
1977	QI	7.4	6.0	4.3	9.6	7.9	6.5	10.1	8.1	7.0
	QII	6.5	5.2	4.3	8.6	7.5	6.5	9.2	8.0	7.1
<u>Semi-annual</u>										
QII '76-QIV '76		6.3	5.7	5.0	10.3	9.1	8.2	11.6	10.3	9.3
QIV '76-QII '77		7.0	5.7	4.3	9.2	7.8	6.6	9.8	8.1	7.1
<u>Annual</u>										
QI '76-QI '77		7.3	6.6	5.7	10.7	9.6	8.8	11.8	10.6	9.7
QII '76-QII '77		6.8	5.7	4.7	10.0	8.6	7.5	11.0	9.4	8.4



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

		<u>M<sub>4</sub></u>			<u>M<sub>5</sub></u>			<u>Credit Proxy</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1976	June	770.8	770.8	770.8	1229.0	1229.0	1229.0	522.3	522.3	522.3
	July	776.9	776.9	776.9	1240.1	1240.1	1240.1	523.5	523.5	523.5
	August	783.6	783.2	782.5	1252.8	1252.0	1250.9	528.4	528.1	527.8
1976	QII	766.5	766.5	766.5	1220.3	1220.3	1220.3	518.3	518.3	518.3
	QIII	783.6	783.1	782.4	1252.6	1251.6	1250.4	527.7	527.5	527.1
	QIV	803.6	800.6	798.2	1288.4	1282.0	1277.1	537.7	536.2	534.7
1977	QI	822.7	817.2	813.2	1320.7	1308.8	1301.2	546.1	543.0	540.8
	QII	841.7	834.5	829.4	1352.4	1336.7	1327.3	555.3	551.2	548.7
<u>Growth Rates</u>										
Monthly:										
1976	July	9.5	9.5	9.5	10.8	10.8	10.8	2.8	2.8	2.8
	August	10.3	9.7	8.6	12.3	11.5	10.5	11.2	10.5	9.9
Quarterly Averages:										
1976	QIII	8.9	8.7	8.3	10.6	10.3	9.9	7.3	7.1	6.8
	QIV	10.2	8.9	8.1	11.4	9.7	8.5	7.6	6.6	5.8
1977	QI	9.5	8.3	7.5	10.0	8.4	7.5	6.2	5.1	4.6
	QII	9.2	8.5	8.0	9.6	8.5	8.0	6.7	6.0	5.8
<u>Semi-annual</u>										
	QII '76-QIV '76	9.7	8.9	8.3	11.2	10.1	9.3	7.5	6.9	6.3
	QIV '76-QII '77	9.5	8.5	7.8	9.9	8.5	7.9	6.5	5.6	5.2
<u>Annual</u>										
	QI '76-QI '77	9.2	8.5	8.0	10.8	9.8	9.2	6.0	5.4	5.0
	QII '76-QII '77	9.8	8.9	8.2	10.8	9.5	8.8	7.1	6.3	5.9

(9) Alternatives A and C call for longer-run  $M_1$  ranges one percentage point higher and lower, respectively, than that shown under alternative B. Alternative C would compensate for the second-quarter overshoot in  $M_1$ , in that  $M_1$  would be expected to reach roughly the same level in the first quarter of 1977 as that implied by a  $5\frac{1}{2}$  per cent growth rate measured from the first quarter of 1976. To reach this level,  $M_1$  would have to expand at about a  $4\frac{3}{4}$  per cent annual rate over the three quarters ending with the first quarter of 1977.

(10) Short-run operating ranges corresponding generally to the longer-run alternatives are summarized below.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for July-August <sup>1/</sup>			
$M_1$	5 to 9	$4\frac{1}{2}$ to $8\frac{1}{2}$	4 to 8
$M_2$	9 to 13	8 to 12	$7\frac{1}{2}$ to $11\frac{1}{2}$
Federal funds rate (intermeeting period)	$4\frac{1}{2}$ to $5\frac{1}{2}$	$4\frac{3}{4}$ to $5\frac{3}{4}$	$5\frac{1}{2}$ to $6\frac{1}{2}$

(11) Alternative B assumes a Federal funds rate range over the next four weeks centered on  $5\frac{1}{2}$  per cent, the Desk's most recent objective; alternatives A and C assume some easing and some tightening, respectively. Under all three alternatives, growth in  $M_1$  is expected to pick up appreciably in the July-August period, on the assumption that various factors which appear to have depressed  $M_1$  balances in June--despite rising nominal GNP--will no longer be operating. These factors include the lagged

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<sup>1/</sup> Reserve aggregates thought to be consistent with these ranges are shown in Appendix table I.

adjustment of money balances to desired levels following the April surge, the unusually heavy use by corporations of demand deposit balances to make tax payments in June, and an unexpected and probably temporary slowing in currency growth. Also, a draw-down in the first half of July of the Treasury's unusually high end-of-June cash balance may add, at least temporarily, to private demand balances.

(12) Under alternative B, the annual rate of growth of  $M_1$  in the July-August period is expected to be in a  $4\frac{1}{2}$  to  $8\frac{1}{2}$  range. (On average from the second to the third quarter,  $M_1$  is expected to grow at only a  $4\frac{3}{4}$  per cent annual rate for arithmetic reasons--specifically, because the second quarter average is high relative to the June level.) Given the projection for nominal GNP, if growth in  $M_1$  over the QII '76-QII '77 period is to be constrained to  $5\frac{1}{2}$  per cent--the mid-point of the alternative B longer-run growth range--it is likely that short-term interest rates would have to begin moving up later in the summer. Under this alternative, the funds rate is expected to reach 7 per cent in early 1977 and to rise marginally further in the spring.

(13) If the funds rate remains around  $5\frac{1}{2}$  per cent over the next four weeks, short-term interest rates are unlikely to change significantly. Inflows of time and savings deposits other than negotiable CD's at banks can be expected to be higher than in June as a result of the declines in interest rates since mid-year. Over the July-August period,  $M_2$  might expand at an annual rate in an 8 to 12 per cent range. As the year progresses, however, rising market rates would probably slow net inflows of

time and savings deposits somewhat. The alternative B projection assumes an upward adjustment in Regulation Q ceilings in early 1977.

(14) Alternative C contemplates a modest tightening of the money market over the next few weeks, with the Federal funds rate moving to the 5-3/4 per cent mid-point of the funds rate range. Subsequently, interest rates undoubtedly would have to rise appreciably further if  $M_1$  growth over the QII '76 to QII '77 period is to be constrained to the 4-3/4 per cent mid-point of the longer-run range. By the spring of 1977, the funds rate might be around 3-1/4 per cent. Under these circumstances, inflows of funds into small-denomination deposits at banks and thrift institutions in the first half of 1977 would be depressed by the greater relative attractiveness of rates on market instruments, even though under this alternative Regulation Q ceilings are assumed to be relaxed in the fourth quarter of 1976.

(15) Alternative A contemplates more rapid growth in the monetary aggregates over QII '76-QII '77--including a 6-3/4 per cent growth rate for  $M_1$ --and some near-term easing of money market conditions, with the funds rate range centering on 4-3/4 per cent. With economic expansion continuing, however, it would be expected that interest rates would have to begin rising in early fall, with the funds rate reaching 5-3/4 per cent by early 1977 and 6-1/2 per cent in the spring. Under these conditions, inflows of interest-bearing deposits would probably accelerate for a time and  $M_2$  and  $M_3$  would remain quite strong into early winter--before slowing as rates on market securities become more attractive.

(16) Over the July-August period, corporate and municipal bond offerings are expected to recede more than seasonally from their recent high levels. The Treasury is expected to take advantage of this reduced forward calendar to continue its debt-lengthening operations. During the third quarter the Treasury is expected to raise in the neighborhood of \$14 billion of new money, and it appears that about one-half of this amount will be raised in the forthcoming intermeeting period. In addition, the Treasury will also have to refund \$4.6 billion of publicly held debt maturing on August 15.

(17) Increases in bond yields over the balance of the year are expected to be relatively small. Business and other credit demands on banks can be expected to strengthen somewhat over the second half as inventory and fixed capital expenditures increase and long-term borrowing slows. Under alternative B, and especially under C, banks would be likely to reduce their acquisitions of Treasury securities and to borrow in CD and Eurodollar markets. Under alternative A, inflows of other deposits should reduce the need for banks to rely on such sources of funds over the balance of the year.

Proposed directive

(18) Presented below are four alternative formulations for the operational paragraph of the directive. The first three are couched in terms of desired growth in monetary aggregates over the months ahead and are intended to correspond to the similarly lettered policy alternatives discussed in the preceding section. The fourth alternative is proposed in the event that the Committee wishes to formulate its instructions in terms of money market conditions and to maintain the conditions now prevailing.

Alternative "Monetary Aggregates" Proposals

Alternative A

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions consistent with moderate SUBSTANTIAL growth in monetary aggregates over the period ahead.

Alternative B

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions consistent with moderate growth in monetary aggregates over the period ahead.

Alternative C

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions consistent with ~~moderate~~ MODEST growth in monetary aggregates over the period ahead.

"Money Market" Proposal

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve MAINTAIN PREVAILING bank reserve and money market conditions ~~consistent-with-moderate-growth-in-monetary~~ aggregates over the period IMMEDIATELY ahead, PROVIDED THAT MONETARY AGGREGATES APPEAR TO BE GROWING AT ABOUT THE RATES CURRENTLY EXPECTED.

## Appendix A

### Comparison of Actual and Targeted Reserves

The table below compares the actual average level of reserves for the four-week period ending July 21 with the "targeted" level that had been thought consistent with the mid-points of the short-run ranges for the monetary aggregates adopted at the last FOMC meeting.

	<u>Actual</u> <sup>1/</sup>	<u>Targeted</u>	<u>Differences</u>
1. (2+3) Nonborrowed reserves	34,428	34,339	89
2. Required reserves	34,208	34,268	-60
3. (4-5) Free reserves	220	71	149
4. Excess reserves	356	239	117
5. Member bank borrowing	136	168	-32
6. (1+5) Total Reserves	34,564	34,506	58
7. Currency	80,505	80,759	-254
8. (6+7) Monetary base	115,069	115,265	-196

As can be seen from the table, even though required reserves were \$60 million lower than anticipated during the intermeeting period, non-borrowed reserves were about \$90 million higher than "targeted." Banks held more excess reserves and borrowed less than had been thought consistent with the ranges specified for the monetary aggregates. Required reserves were below expectations because of weakness in deposits subject to reserves, which was only partly offset by a slightly lower multiplier between lagged deposits and current required reserves.

<sup>1/</sup> Includes week of July 21, which is partly estimated.



Despite the strength in nonborrowed reserves, total reserves were only slightly larger than anticipated because of the shortfall in member bank borrowings. The monetary base, however, was well below "target" because the growth in currency in circulation was much smaller than expected.

Achievement of the nonborrowed reserve "target" during the period would have resulted in a higher Federal funds rate, possibly near the upper end of the  $5\frac{1}{4}$  to  $5\frac{3}{4}$  per cent range adopted by the FOMC. On the other hand, if the Desk had attempted to achieve the "targeted" monetary base, the Federal funds rate would have been much lower than actually prevailed.

Appendix Table I

Reserve Measures Consistent With Short-run Alternatives  
(seasonally adjusted)

	<u>Average of 4 weeks July 28 to August 18</u> (\$ million)			<u>Change from average of previous 4-week period</u> (\$ million)			<u>2-month Annual Percentage Growth Rate for July-August</u>		
	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Nonborrowed reserves	34,491	34,452	34,319	63	24	-109	8.2	7.1	4.7
Member bank borrowing	53	81	195	-83	-55	59	--	--	--
Excess reserves	183	173	163	-173	-183	-193	--	--	--
Other reserve aggregates:									
Total reserves	34,544	34,534	34,514	-20	-30	-50	6.9	6.6	6.2
Monetary base <sup>1/</sup>	115,533	115,523	115,503	464	454	434	6.7	6.6	6.5
Nonborrowed monetary base	115,480	115,442	115,308	547	509	375	7.1	6.7	6.0

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<sup>1/</sup> Total reserves plus currency held outside the Treasury, the Federal Reserve, and member banks.

Appendix Table II

Projected Federal Funds Rates

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1976	QIII	4½	5½	6
	QIV	5	6½	7½
1977	QI	5½	7	8
	QII	6½	7½	8½

Appendix Table III

Growth Rate in Money Supply  
(Per cent change in an annual rate)  
(Revised Series)

		<u>M<sub>1</sub></u>		<u>M<sub>2</sub></u>		<u>M<sub>3</sub></u>	
		<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>
1973	I	3.6	7.4	7.3	9.2	8.4	10.3
	II	10.1	6.4	9.9	8.2	9.8	8.5
	III	1.8	5.5	6.3	7.9	6.1	7.8
	IV	7.8	5.1	10.5	9.0	9.9	8.4
QIV '72-QIV '73		6.0	6.2	8.8	8.8	8.8	9.0
1974	I	5.3	6.0	9.0	9.6	8.4	8.9
	II	5.3	5.6	6.9	7.4	5.7	6.5
	III	3.0	4.2	5.5	6.4	5.2	5.6
	IV	4.7	4.0	6.6	6.4	7.2	6.5
QIV '73-QIV '74		4.7	5.0	7.2	7.7	6.8	7.1
1975	I	1.4	0.6	6.9	5.6	9.0	7.5
	II	9.7	7.4	12.5	10.2	14.5	12.6
	III	3.6	7.1	6.5	10.1	10.7	13.3
	IV	1.6	2.3	7.0	6.4	9.3	9.4
QIV '74-QIV '75		4.1	4.4	8.5	8.3	11.3	11.1
1976	I	4.3	2.6	11.5	10.1	12.6	11.4
	II	6.7	8.4	9.8	11.2	11.0	12.2

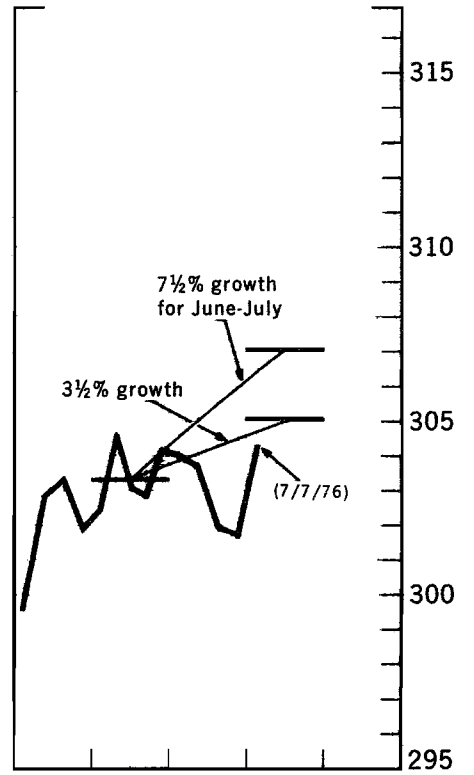
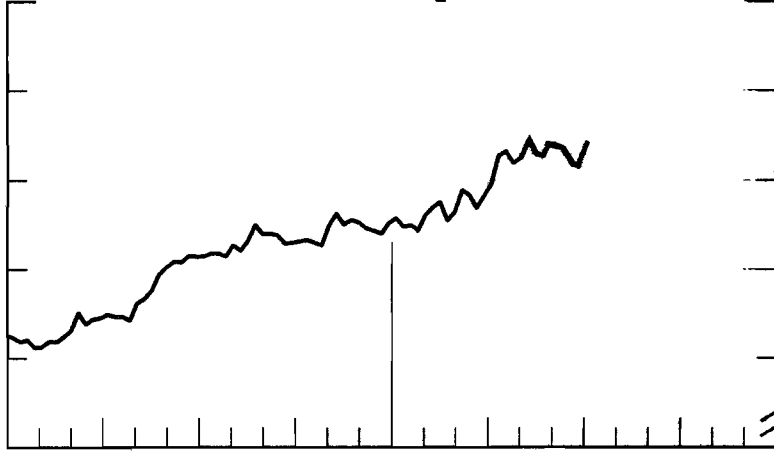
M = Annual rates of growth calculated from average levels in the final months of the quarters.

Q = Annual rate calculated from average levels in all three months of the quarters.

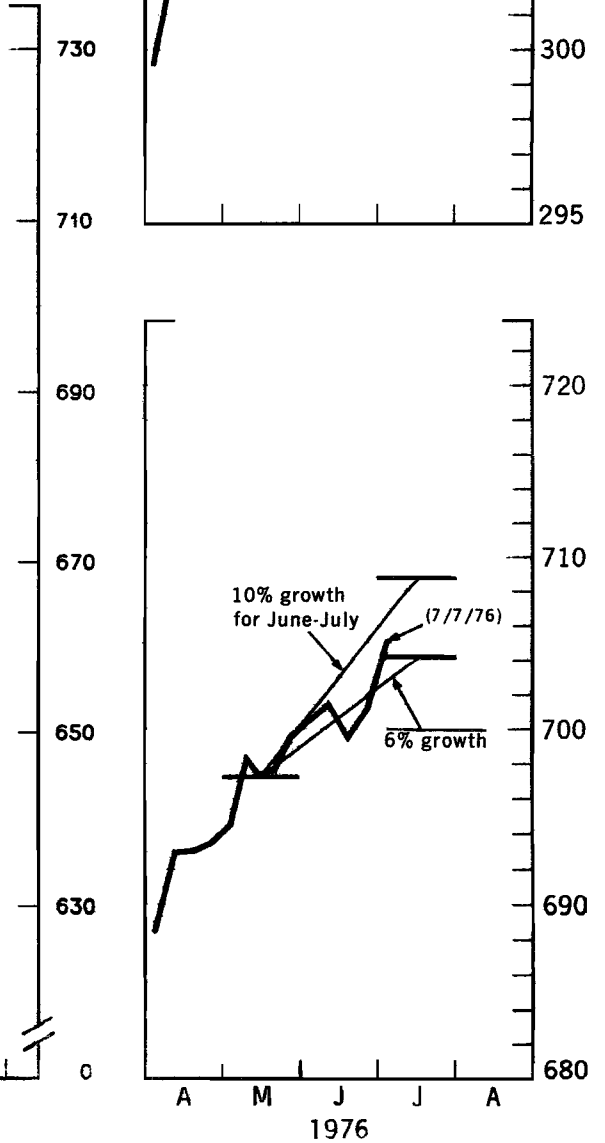
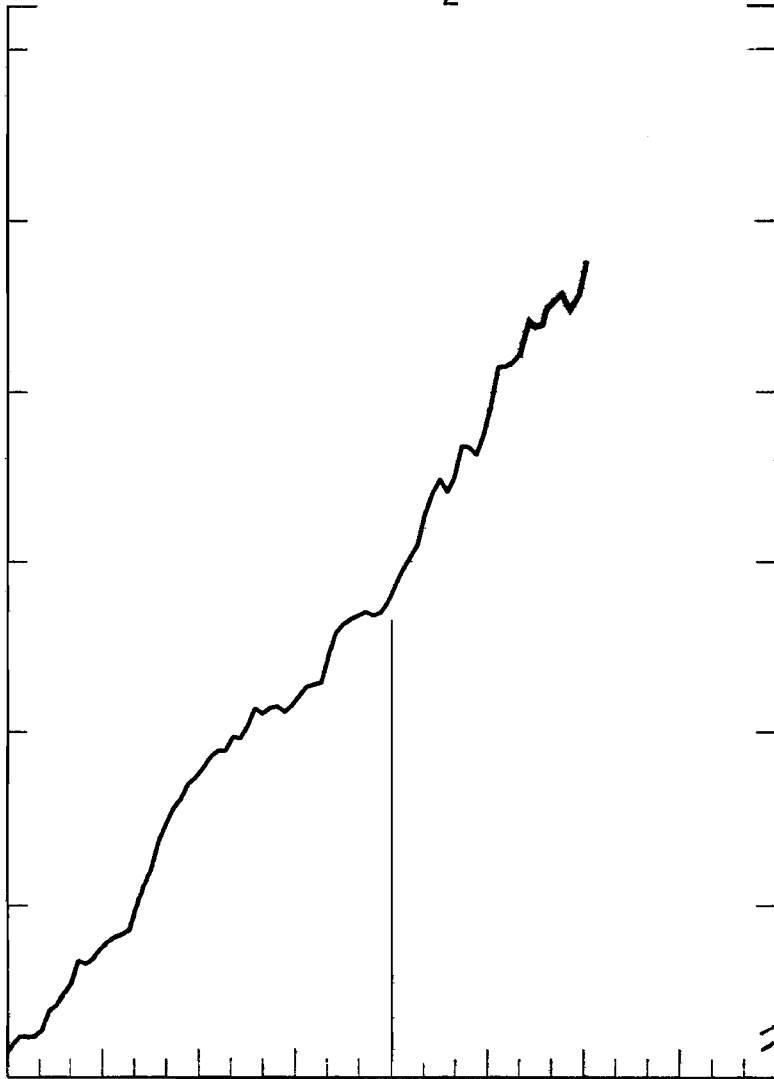
# MONETARY AGGREGATES

### NARROW MONEY SUPPLY M<sub>1</sub>

BILLIONS OF DOLLARS



### BROADER MONEY SUPPLY M<sub>2</sub>



1975

1976

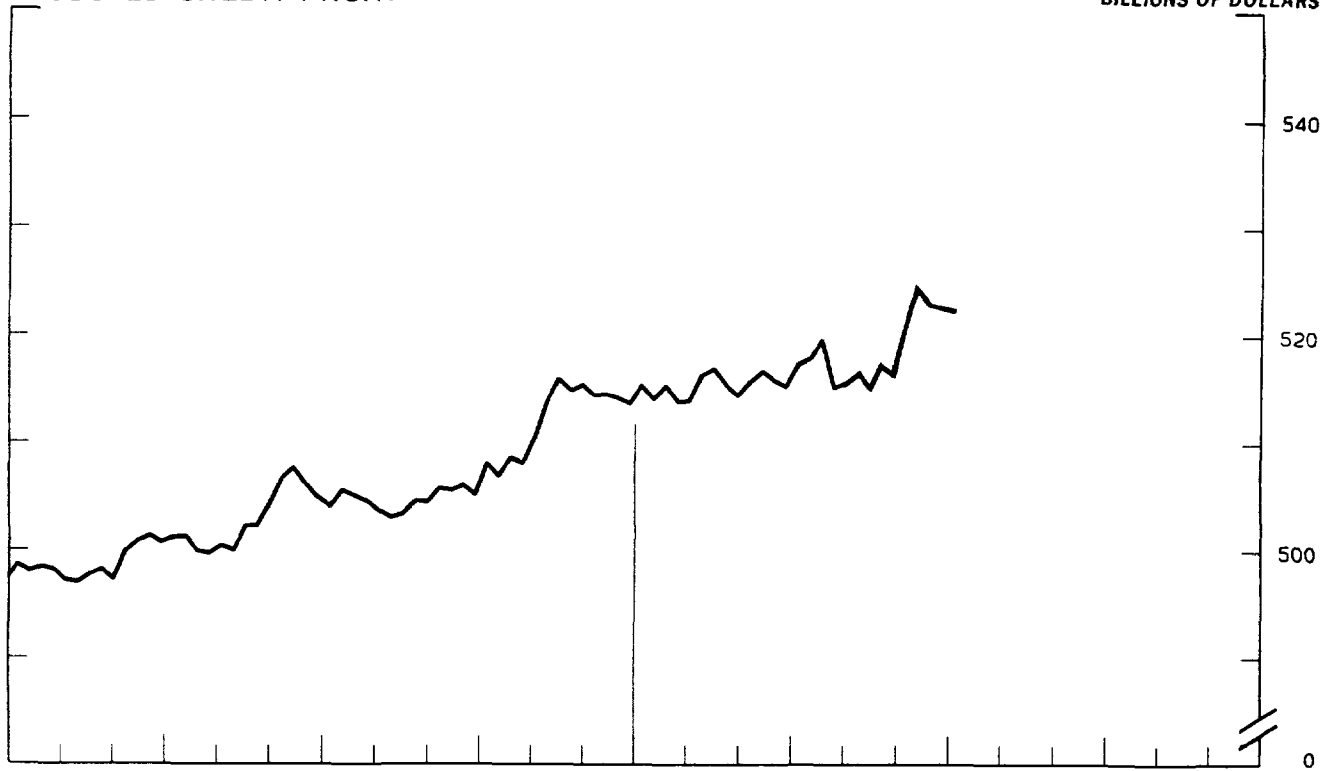
A M J J A

1976

# MONETARY AGGREGATES

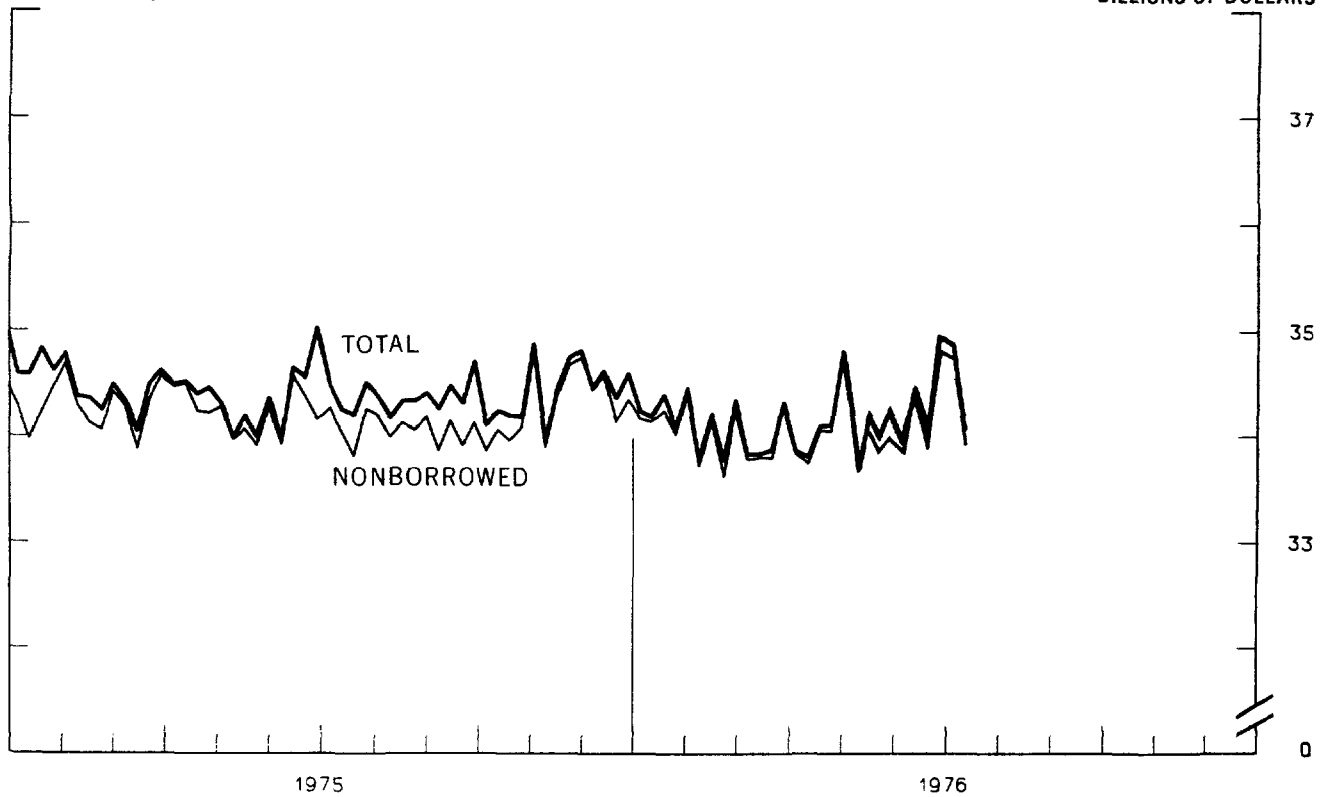
ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



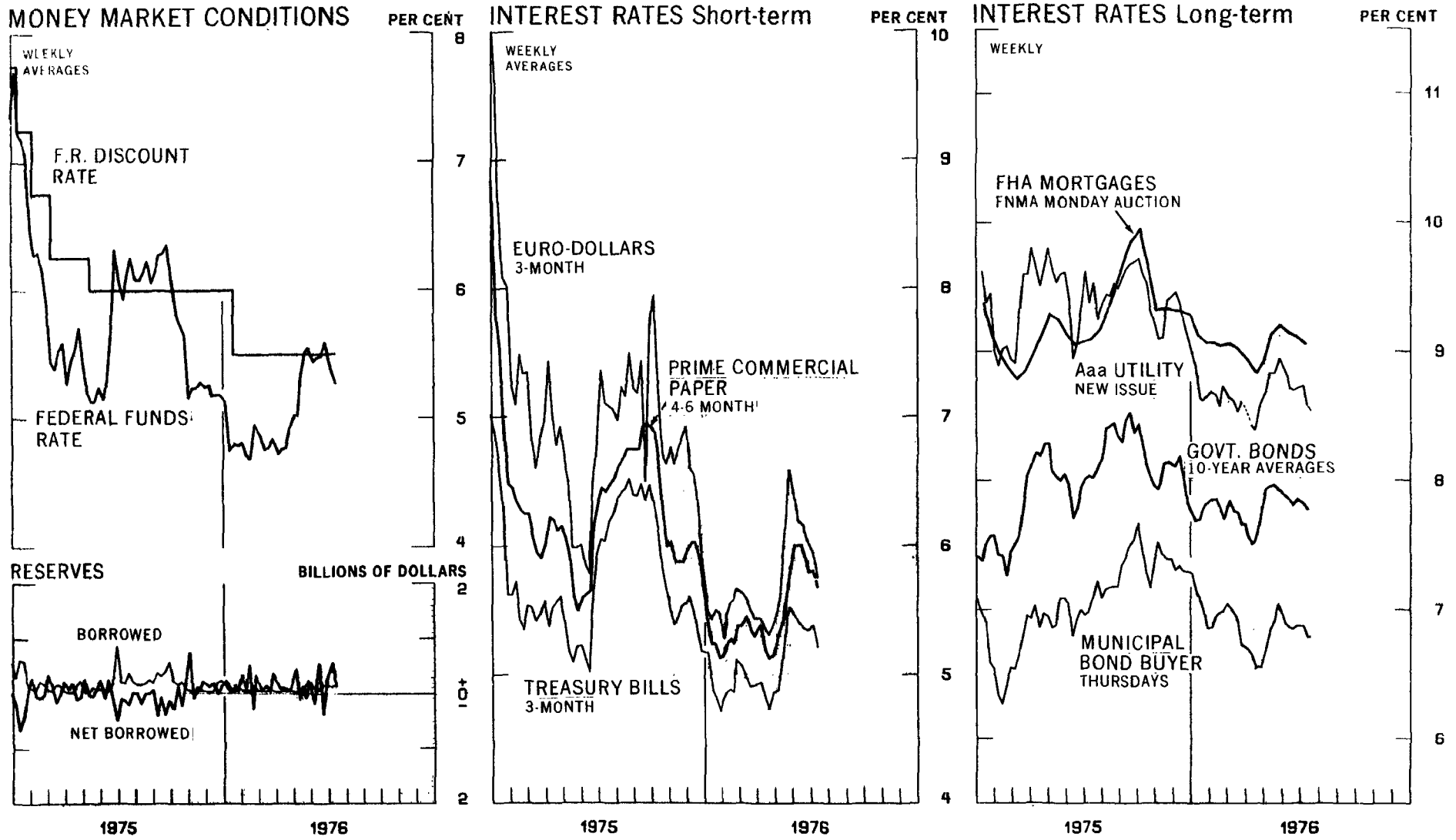
RESERVES

BILLIONS OF DOLLARS



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

# MONEY MARKET CONDITIONS AND INTEREST RATES



JULY 16, 1976

TABLE 1  
**BANK RESERVES**

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

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>							
1976--APR.	34,024	33,980	113,333	33,669	19,783	11,931	2,155
MAY	34,136	34,022	113,994	33,927	19,990	11,750	2,186
JUNE	34,335	34,208	114,654	34,121	19,953	11,843	2,325
JULY	(34,388)	(34,278)	(115,106)	(34,125)	(19,894)	(12,017)	( 2,214)
<b>PERCENT ANNUAL GROWTH</b>							
<b>QUARTERLY</b>							
1975--4TH QTR.	1.4	4.5	7.3	0.5	-3.4	4.1	
1976--1ST QTR.	-6.2	-5.3	4.6	-5.7	-2.0	-11.0	
2ND QTR.	3.9	3.1	8.8	4.0	6.0	-0.9	
<b>QUARTERLY--AV</b>							
1975--4TH QTR.	0.6	2.7	5.6	-0.1	-2.1	-0.6	
1976--1ST QTR.	-3.8	-3.2	5.3	-3.6	-1.0	-6.5	
2ND QTR.	0.8	0.5	8.5	1.2	4.2	-4.4	
<b>MONTHLY</b>							
1976--APR.	0.7	1.1	12.2	3.2	7.6	6.1	
MAY	4.0	1.5	7.0	2.1	12.6	-18.2	
JUNE	7.0	6.6	6.9	6.9	-2.2	9.5	
JULY	( 1.9)	( 2.5)	( 4.7)	( 0.1)	( -3.5)	( 17.6)	
JUNE-JULY	( 4.4)	( 4.5)	( 5.9)	( 3.5)	( -2.9)	( 13.6)	
<b>WEEKLY LEVELS--\$MILLIONS</b>							
1976--JUNE 2	34,219	33,977	114,420	33,766	19,857	11,704	2,205
9	33,939	33,846	114,213	34,009	19,914	11,760	2,335
16	34,438	34,389	114,784	33,867	19,996	11,821	2,049
23	34,031	33,866	114,389	34,211	19,921	11,884	2,396
30	34,963	34,797	115,299	34,498	19,999	11,946	2,553
JULY 7	34,855	34,731	114,996	34,200	19,915	11,961	2,324
14	34,094	33,920	114,851	34,041	19,820	12,053	2,168

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



Table 2

CONFIDENTIAL (FR)  
CLASS II-FOMC

JULY 16, 1976

**MONETARY AGGREGATES**

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	Money Supply		Adjusted Credit Proxy	Total U.S. Govt. Deposits <sup>1</sup>	Time and Savings Deposits				Nondeposit Sources of Funds	Member Bank U.S. Govt. Deposits	
	Narrow (M1)	Broad (M2)			Total	Other Than CD'S					CD'S
						Total	Savings	Other			
	1	2	3	4	5	6	7	8	9	10	11
<b>MONTHLY LEVELS--\$BIL</b>											
1976--APR.	301.7	691.9	517.3	7.2	461.6	390.2	176.7	213.5	71.4	7.5	2.5
MAY	303.3	697.2	515.3	7.4	462.0	393.9	179.4	214.5	68.2	7.6	2.3
JUNE	303.0	700.2	522.3	9.8	467.9	397.2	179.3	217.9	70.6	8.4	3.7
JULY	(304.6)	(706.2)	(523.5)	( 9.0)	(472.4)	(401.6)	(180.2)	(221.5)	( 70.7)	( 8.4)	( 2.9)
<b>% ANNUAL GROWTH</b>											
<b>QUARTERLY</b>											
1975--4TH QTR.	1.6	7.0	7.0		12.9	11.6	15.8	8.2	19.2		
1976--1ST QTR.	4.3	11.5	1.2		5.4	17.1	32.4	5.6	-46.8		
2ND QTR.	6.7	9.8	4.9		8.2	12.2	13.4	11.3	-14.2		
<b>QUARTERLY--AV</b>											
1975--4TH QTR.	2.3	6.4	6.0		9.7	9.8	14.4	6.6	9.5		
1976--1ST QTR.	2.6	10.1	2.3		7.8	15.9	28.3	6.7	-29.3		
2ND QTR.	8.4	11.2	2.4		6.2	13.7	21.7	7.0	-30.6		
<b>MONTHLY</b>											
1976--APR.	14.9	14.9	3.0		8.1	14.9	22.1	9.1	-29.5		
MAY	6.4	9.2	-4.6		1.0	11.4	18.3	5.6	-53.8		
JUNE	-1.2	5.2	16.3		15.3	10.1	-0.7	19.0	42.2		
JULY	( 6.3)	( 10.3)	( 2.8)		( 11.5)	( 13.3)	( 6.0)	( 19.8)	( 1.7)		
JUNE-JULY	( 2.6)	( 7.7)	( 9.5)		( 13.5)	( 11.7)	( 2.7)	( 19.6)	( 22.0)		
<b>WEEKLY LEVELS--\$BIL</b>											
1976--JUNE 2	304.2	699.7	516.4	8.7	464.2	395.5	179.6	215.9	68.7	7.4	2.8
9	304.0	700.6	520.6	8.2	466.3	396.6	179.7	216.9	69.7	7.7	4.5
16	303.7	701.3	524.2	9.3	468.0	397.6	179.2	218.4	70.4	8.4	5.3
23	301.9	699.5	522.9	10.3	468.7	397.7	179.2	218.4	71.1	9.1	3.8
30	301.7	701.2	522.7	10.4	471.5	399.5	179.2	220.2	72.0	8.8	2.5
JULY 7 P	304.3	705.1	522.6	9.5	472.4	400.9	179.7	221.2	71.5	8.5	2.2

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.  
<sup>1</sup>/ INCLUDES TREASURY DEPOSITS AT MEMBER BANKS AND FEDERAL RESERVE BANKS.  
P - PRELIMINARY

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

Period	Treasury Bills Net Change 2/	Treasury Coupons Net Purchases 3/					Federal Agencies Net Purchases 4/					Net Change Outright Holdings Total 5/	Net RP'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
1975--Qtr. II	1,086	218	1,135	454	273	2,079	--	--	-2	--	-2	3,076	230
Qtr. III	-757	13	712	201	171	1,096	64	514	106	63	747	1,060	2,392
Qtr. IV	1,294	74	385	234	315	1,006	58	141	71	14	284	2,626	-1,403
1976--Qtr. I	-363	115	554	226	156	1,052	102	288	108	38	535	1,022	1,256
Qtr. II	2,067	109	796	245	134	1,284	3	140	57	40	240	3,371	1,654
1976--Jan.	-1,596	37	110	100	73	321	26	139	47	27	240	-1,030	3,597
Feb.	1,275	40	366	63	59	528	76	149	61	11	297	2,029	-3,129
Mar.	-42	38	78	63	24	203	--	--	--	--	--	23	788
Apr.	513	27	179	51	38	294	--	--	--	--	--	758	1,261
May	-292	--	--	--	--	--	3	140	57	40	240	-122	-958
June	1,845	83	617	195	96	990	--	--	--	--	--	2,735	1,351
1976--May 5	240	--	--	--	--	--	--	--	--	--	--	242	-2,077
12	-626	--	--	--	--	--	--	--	--	--	--	-634	522
19	298	--	--	--	--	--	--	--	--	--	--	277	605
26	597	--	--	--	--	--	3	140	57	40	240	792	-1,115
June 2	-572	--	--	--	--	--	--	--	--	--	--	-587	-5,170
9	-302	--	--	--	--	--	--	--	--	--	--	-310	-1,068
16	949	--	--	--	--	--	--	--	--	--	--	911	5,443
23	909	28	387	112	64	591	--	--	--	--	--	1,484	-147
30	861	55	229	83	32	399	--	--	--	--	--	1,240	3,157
July 7	-472	--	--	--	--	--	--	--	--	--	--	-481	-3,126
14	-783	--	--	--	--	--	--	--	--	--	--	-791	-1,003
21													
28													

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 borrowings from the System.

4/ Outright transactions in market and with foreign accounts only. Excludes redemptions and maturity shifts.

5/ In addition to net purchases of securities, also reflects changes in System holdings of bankers' acceptances, direct Treasury borrowings from the System, and redemptions (-) of Agency and Treasury coupon issues.

6/ Includes changes in both RP's (+) and matched sale-purchase transactions (-).

TABLE 4  
SECURITY DEALER POSITIONS AND BANK POSITIONS  
(millions of dollars)

Period	U.S. Govt. Security Dealer Positions		Underwriting Syndicate Positions		Member Bank Reserve Positions				
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)	Borrowing at FRB**		Basic Reserve Deficit		
					Excess** Reserves (5)	Total (6)	Seasonal (7)	8 New York (8)	38 Others (9)
1975--High	7,029	2,845	464	389	804	609	74	-7,387	-11,632
Low	1,586	253	0	48	-42	17	5	-1,757	- 7,207
1976--High	6,821	1,684	334	249	655	242	29	-6,686	-12,660
Low	3,668	175	0	34	-106	24	8	-2,367	- 6,695
1975--June	5,201	1,351	89	118	201	227	11	-5,821	- 9,344
July	4,321	1,246	60	135	188	259	17	-5,546	- 9,896
Aug.	4,020	1,204	44	181	195	211	37	-3,964	- 9,966
Sept.	5,008	588	31	122	191	397	58	-3,551	- 9,015
Oct.	5,766	1,480	14	123	161	189	65	-2,644	- 9,202
Nov.	4,751	2,073	156	173	251	60	29	-3,812	-10,159
Dec.	4,822	1,075	95	103	265	130	14	-2,811	-10,418
1976--Jan.	4,959	1,220	34	97	232	79	9	-3,581	- 9,746
Feb.	5,214	1,051	66	181	256	81	10	-4,138	-10,015
Mar.	5,910	778	43	151	223	54	8	-4,726	- 9,640
Apr.	5,750	605	69	133	155	43	10	-5,179	-10,783
May	4,239	591	95	199	210	114	11	-4,402	- 8,151
June	*4,996	*582	100	196	258p	132p	20p	-4,270p	- 8,943p
1976--May 5	4,309	548	110	137	441	30	11	-4,214	- 7,390
12	4,620	949	65	236	-33	55	9	-6,126	- 9,329
19	3,915	509	70	175	245	122	10	-4,789	- 8,523
26	3,668	470	135	249	78	136	11	-3,183	- 8,124
June 2	5,266	175	10	199	453	242	17	-3,235	- 7,605
9	5,052	636	30	223	-70	93	12	-5,370	-10,581
16	5,777	522	25	201	571	49	16	-4,916	- 9,561
23	*4,445	*561	334	160	-180	165	22	-3,701	- 9,559
30	*4,495p	*793	213	204	465p	166p	29p	-3,154	- 6,908
July 7	*5,263	*1,264	228	146	655p	124p	26p	-5,028p	- 7,880p
14	*5,630	*1,015	215p	135p	52p	177p	23p	-6,126p	-10,651p
21									
28									

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 Feder 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.

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC  
JULY 16, 1976

TABLE 5  
SELECTED INTEREST RATES  
(Per cent)

Period	Short-Term						Long-Term					
	Federal Funds	Treasury Bills		90-119 Day Commercial Paper	CD's New Issue-NYC		Aaa Utility		Municipal Bond Buyer	U.S. Govt. (20-yr. Constant Maturity)	FNMA Auction Yield	GNMA Guaranteed Securities
		90-Day	1-Year		60-Day	90-Day	New Issue	Recently Offered				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1975--High	7.70	6.68	7.31	8.43	7.88	7.75	9.80	9.71	7.67	8.63	9.95	9.10
Low	5.13	5.02	5.46	5.38	5.25	5.38	8.89	9.06	6.27	7.63	8.78	7.93
1976--High	5.58	5.53	6.32	5.90	5.63	5.75	8.95	8.94	7.13	8.17	9.20	8.45
Low	4.70	4.73	5.35	5.00	4.75	4.88	8.38	8.44	6.54	7.80	8.83	8.00
June	5.55	5.34	5.86	5.67	5.34	5.51	9.25	9.33	6.94	8.04	9.09	8.34
July	6.10	6.13	6.64	6.32	6.05	6.25	9.41	9.43	7.06	8.17	9.14	8.50
Aug.	6.14	6.44	7.16	6.59	6.31	6.63	9.46	9.49	7.17	8.50	9.41	8.75
Sept.	6.24	6.42	7.20	6.79	6.44	6.81	9.68	9.57	7.44	8.57	9.78	8.97
Oct.	5.82	5.96	6.48	6.35	6.08	6.45	9.45	9.43	7.39	8.35	9.80	8.87
Nov.	5.22	5.48	6.07	5.78	5.69	6.03	9.20	9.26	7.43	8.28	9.80	8.50
Dec.	5.20	5.44	6.16	5.88	5.65	5.83	9.36	9.23	7.31	8.23	9.31	8.56
1976--Jan.	4.87	4.87	5.44	5.15	4.91	5.03	8.70	8.79	7.07	8.01	9.10	8.37
Feb.	4.77	4.88	5.53	5.13	4.84	5.06	8.63	8.63	6.94	8.03	9.06	8.29
Mar.	4.84	5.00	5.82	5.25	5.05	5.20	8.62	8.61	6.92	7.97	9.05	8.30
Apr.	4.82	4.86	5.54	5.08	4.81	4.94	8.48	8.52	6.60	7.86	8.89	8.10
May	5.29	5.20	5.98	5.44	5.25	5.38	8.82	8.77	6.87	8.13	9.09	8.33
June	5.48	5.41	6.12	5.83	5.55	5.68	8.72	8.73	6.87	8.03	9.13	8.35
1976--May 5	5.03	4.88	5.65	5.13	5.00	5.13	8.68	8.62	6.71	8.03	8.94	8.16
12	5.02	5.04	5.79	5.25	5.13	5.25	8.82	8.78	6.83	8.15	--	8.16
19	5.28	5.21	6.01	5.43	5.38	5.50	8.82	8.83	6.91	8.16	9.13	8.44
26	5.50	5.44	6.20	5.68	5.50	5.63	8.95	8.84	7.03	8.17	--	8.44
June 2	5.54	5.53	6.32	5.81	5.63	5.75	8.83	8.80	6.89	8.08	9.20	8.44
9	5.44	5.46	6.17	5.88	5.63	5.75	8.71	8.76	6.86	8.04	--	8.39
16	5.47	5.40	6.07	5.90	5.63	5.75	8.69	8.70	6.85	8.02	9.14	8.34
23	5.48	5.36	6.06	5.85	5.50	5.63	8.70	8.74	6.87	7.99	--	8.34
30	5.58	5.34	6.08	5.68	5.38	5.50	8.72	8.67	6.87	8.02	9.12	8.34
July 7	5.37	5.38	6.03	5.75	5.50	5.63	8.58	8.57	6.78	7.98	--	8.41
14	5.27	5.21	5.75	5.60	5.25	5.38	8.53p	8.53p	6.78	7.95p	9.05	8.34
21												
28												
Daily--July 8	5.39	5.33	5.87	5.75	--	--	--	--	--	7.98	--	--
15	5.25p	5.11	5.67	5.50	--	--	--	--	--	7.96 (7/14)	--	--

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 and 10, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 8 and 9 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 11 gives FNMA auction data for the Monday preceding the end of the statement week. Column 12 is a 1-day quote for the Monday preceding the end of the statement week. The FNMA auction yield is the average yield in bi-weekly auction for short-term forward commitments for Government underwritten mortgages. GNMA yields are average net yields to investors on mortgage-backed securities for immediate delivery, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the coupon rate 50 basis points below the current FHA/VA ceiling.

APPENDIX TABLE 1-A  
**MONEY AND CREDIT AGGREGATE MEASURES**

JULY 16, 1976

Period	BANK RESERVES 1/			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Monetary Base	Adj. Credit proxy	Total Loans and Investments	M <sub>1</sub>	M <sub>2</sub>	M <sub>3</sub>	M <sub>4</sub>	M <sub>5</sub>	M <sub>6</sub>	M <sub>7</sub>
	1	2	3	4	5	6	7	8	9	10	11	12
	(Per cent annual rates of growth)											
ANNUALLY:												
1973	6.7	6.0	7.7	10.5	13.8	6.0	8.8	8.8	11.6	10.6	11.1	11.9
1974	7.1	9.2	9.2	10.2	9.2	4.7	7.2	6.8	10.6	9.0	8.9	8.9
1975	-0.4	1.3	5.8	3.9	4.4	4.1	6.5	11.3	6.4	9.7	10.0	9.7
SEMI-ANNUALLY:												
1ST HALF 1975	-1.2	1.7	5.6	4.5	4.2	5.6	9.8	11.9	6.9	9.9	9.5	9.4
2ND HALF 1975	0.3	0.9	5.7	3.1	4.5	2.6	6.8	10.1	5.7	9.2	10.0	9.5
1ST HALF 1976	-1.2	-1.2	6.7	3.1	4.9	5.6	10.8	12.0	6.3	9.0	8.5	8.7
QUARTERLY:												
3RD QTR. 1975	-0.8	-2.8	4.1	-0.8	4.2	3.6	6.5	10.7	3.0	8.1	8.6	7.5
4TH QTR. 1975	1.4	4.5	7.3	7.0	4.6	1.6	7.0	9.3	8.4	10.0	11.3	11.3
1ST QTR. 1976	-6.2	-5.3	4.6	1.2	5.5	4.8	11.5	12.6	5.0	8.4	7.7	7.7
2ND QTR. 1976	3.9	3.1	8.8	4.9	4.3	6.7	9.8	11.0	7.6	9.5	9.2	9.6
QUARTERLY-AV:												
3RD QTR. 1975	0.1	-1.9	6.3	1.4	4.4	7.1	10.1	13.3	5.7	10.1	10.7	9.5
4TH QTR. 1975	0.6	2.7	5.6	6.0	6.0	2.3	6.4	9.4	6.7	9.4	9.9	9.6
1ST QTR. 1976	-3.8	-3.2	5.3	2.3	3.8	2.6	10.1	11.4	5.7	8.6	8.7	8.7
2ND QTR. 1976	0.8	0.5	8.5	2.4	5.4	8.4	11.2	12.2	7.1	9.5	8.9	9.2
MONTHLY:												
1975--JUNE	12.2	6.5	13.3	12.7	7.5	14.2	16.5	17.4	12.9	15.0	14.9	13.5
JULY	-3.2	-5.8	4.7	-3.3	1.0	3.7	9.5	13.2	5.1	10.0	11.9	10.6
AUG.	-3.1	0.0	4.9	-4.3	5.9	5.3	5.7	10.3	-0.5	5.9	7.0	6.0
SEPT.	3.9	-2.6	2.6	5.2	5.7	1.6	4.2	8.5	4.3	8.2	6.5	5.7
OCT.	-6.3	0.8	3.6	5.9	6.4	-0.8	5.3	8.7	7.9	9.9	10.3	10.1
NOV.	9.7	14.3	11.1	14.4	9.8	9.0	11.5	11.9	11.7	12.1	14.3	14.3
DEC.	0.8	-1.6	7.0	0.7	-2.3	-3.2	4.0	7.1	5.3	7.7	8.9	9.1
1976--JAN.	-10.2	-8.4	2.6	-0.7	3.5	1.2	10.7	11.9	3.5	7.2	7.1	7.1
FEB.	-6.8	-6.9	4.0	3.5	5.9	5.7	14.9	14.7	7.0	9.8	8.2	8.0
MAR.	-1.7	-0.8	7.0	0.9	6.9	6.1	8.7	10.8	4.3	7.9	7.7	7.8
APR.	0.7	1.1	12.2	3.0	5.4	14.9	14.7	14.7	10.9	12.0	11.1	11.3
MAY	4.0	1.5	7.0	-4.6	5.4	6.4	9.2	10.6	3.1	6.8	6.4	7.0
JUNE P	7.0	6.6	6.9	16.3	2.1	-1.2	5.2	7.5	8.5	9.4	9.7	10.3

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURO-DOLLAR BORROWINGS OF U.S. BANKS.

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

P - PRELIMINARY

APPENDIX TABLE 1-B  
**MONEY AND CREDIT AGGREGATE MEASURES**

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

JULY 16, 1976

Period	BANK RESERVES <sup>1/</sup>			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Monetary Base	Adj. Credit proxy	Total Loans and Investments	M <sub>1</sub>	M <sub>2</sub>	M <sub>3</sub>	M <sub>4</sub>	M <sub>5</sub>	M <sub>6</sub>	M <sub>7</sub>
	1	2	3	4	5	6	7	8	9	10	11	12
<b>ANNUALLY:</b>												
1973	32,390	31,092	96,051	449.4	637.7	270.5	571.4	919.5	634.9	982.9	1093.7	1132.0
1974	34,693	33,966	104,892	495.3	695.2	283.1	612.4	981.6	702.2	1071.4	1191.0	1232.7
1975	34,539	34,409	110,930	514.4	725.5	294.8	664.3	1092.9	747.2	1175.8	1310.3	1351.9
<b>MONTHLY:</b>												
1975—JUNE	34,490	34,263	107,833	506.5	709.7	291.0	642.4	1040.2	726.5	1124.3	1247.7	1290.7
JULY	34,399	34,098	108,254	505.1	710.3	291.9	647.5	1051.6	729.6	1133.7	1260.1	1302.1
AUG.	34,310	34,099	108,694	503.3	713.8	293.2	650.6	1060.6	729.3	1139.3	1267.5	1308.6
SEPT.	34,421	34,024	108,949	505.5	717.2	293.6	652.9	1068.1	731.9	1147.1	1274.4	1314.8
OCT.	34,239	34,048	109,279	508.0	721.0	293.4	655.8	1075.8	736.7	1156.6	1285.3	1325.9
NOV.	34,515	34,455	110,287	514.1	726.9	295.6	662.1	1086.5	743.9	1168.3	1300.6	1341.7
DEC.	34,539	34,409	110,930	514.4	725.5	294.8	664.3	1092.9	747.2	1175.8	1310.3	1351.9
1976—JAN.	34,245	34,167	111,171	514.1	727.6	295.1	670.2	1103.7	749.4	1182.9	1318.0	1359.9
FEB.	34,052	33,971	111,538	515.6	731.2	296.5	678.5	1117.2	753.8	1192.6	1327.0	1369.0
MAR.	34,003	33,949	112,192	516.0	735.4	298.0	683.4	1127.3	756.5	1200.5	1335.5	1377.9
APR.	34,024	33,980	113,333	517.3	738.7	301.7	691.9	1141.1	763.4	1212.5	1347.9	1390.9
MAY	34,136	34,022	113,994	515.3	742.0	303.3	697.2	1151.2	765.4	1219.4	1355.1	1399.0
JUNE P	34,335	34,208	114,654	522.3	743.3	303.0	700.2	1158.4	770.8	1229.0	1366.1	1411.0
<b>WEEKLY:</b>												
1976—MAY 12	33,693	33,638	113,472	516.4		304.6	698.2		766.4			
19	34,187	34,065	114,103	515.1		303.1	697.3		764.8			
26	33,991	33,855	113,843	517.1		302.9	697.6		765.6			
JUNE 2	34,219	33,977	114,420	516.4		304.2	699.7		768.4			
9	33,939	33,846	114,213	520.6		304.0	700.6		770.3			
16	34,438	34,389	114,784	524.2		303.7	701.3		771.7			
23	34,031	33,866	114,389	522.9		301.9	699.5		770.6			
30P	34,963	34,797	115,299	522.7		301.7	701.2		773.2			
JULY 7P	34,855	34,731	114,996	522.6		304.3	705.1		776.7			

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURODOLLAR BORROWINGS OF U.S. BANKS. WEEKLY DATA ARE DAILY AVERAGES FOR STATEMENT WEEKS. MONTHLY DATA ARE DAILY AVERAGES. WEEKLY DATA ARE NOT AVAILABLE FOR M<sub>3</sub>, M<sub>5</sub>, M<sub>6</sub>, M<sub>7</sub>, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

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

APPENDIX TABLE 2-A

JULY 16, 1976

## COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares <sup>1/</sup>	Credit Union Shares <sup>1/</sup>	CD's	Savings Bonds <sup>1/</sup>	Short Term U. S. Gov't Securities <sup>1/</sup>	Commercial Paper <sup>1/</sup>	
	1	2	3	4	5	6	7	8	9	10	
(Per cent annual rates of growth)											
<b>ANNUALLY:</b>											
1973	8.1	5.3	16.2	11.4	8.5	13.8	45.6	4.9	31.3	39.3	
1974	10.2	3.0	15.0	9.4	5.6	12.1	41.4	4.8	11.9	9.1	
1975	8.7	2.6	7.9	12.2	15.8	20.2	-7.7	6.2	19.5	-0.5	
<b>SEMI-ANNUALLY:</b>											
1ST HALF 1975	9.4	4.4	7.8	13.4	15.2	20.9	-12.7	5.7	6.7	5.7	
2ND HALF 1975	7.6	0.9	7.8	10.4	15.2	17.6	-2.9	6.5	31.3	-6.5	
1ST HALF 1976	10.6	4.0	6.9	14.9	13.9	12.0	-29.7	6.3	1.2	15.9	
<b>QUARTERLY:</b>											
3RD QTR. 1975	5.6	2.9	2.6	8.9	17.4	17.0	-23.8	6.8	19.2	-24.2	
4TH QTR. 1975	9.4	-1.1	12.9	11.6	12.5	17.6	19.2	6.0	41.3	11.9	
1ST QTR. 1976	10.9	2.4	5.4	17.1	14.3	16.8	-46.8	6.5	-3.6	7.7	
2ND QTR. 1976	10.0	5.6	8.2	12.2	13.1	6.9	-14.2	5.9	6.0	23.6	
<b>QUARTERLY-AV:</b>											
3RD QTR. 1975	8.5	6.6	4.7	12.7	18.2	18.6	-27.5	6.8	26.4	-23.7	
4TH QTR. 1975	8.4	0.2	9.7	9.8	14.0	16.5	9.5	6.1	23.5	-1.0	
1ST QTR. 1976	9.8	0.4	7.8	15.9	13.4	17.1	-29.3	6.6	12.3	9.7	
2ND QTR. 1976	11.7	7.2	6.2	13.7	13.8	10.5	-30.6	5.9	0.6	17.1	
<b>MONTHLY:</b>											
1975--JUNE	13.7	14.4	12.0	18.4	18.9	19.9	-14.1	5.6	23.1	-24.6	
JULY	5.1	3.3	5.8	14.0	18.9	15.7	-28.5	9.2	53.6	-25.1	
AUG.	10.1	3.8	-3.8	6.4	17.7	19.4	-48.2	5.5	27.6	-28.5	
SEPT.	1.7	1.6	5.8	6.0	14.9	15.2	4.6	5.5	-23.2	-20.4	
OCT.	10.0	-4.3	13.7	10.7	13.5	18.8	27.3	7.3	21.6	3.0	
NOV.	13.2	7.1	13.5	13.6	12.4	14.8	13.4	5.4	63.8	17.8	
DEC.	4.9	-5.9	11.0	10.1	11.3	18.3	16.1	5.4	34.9	14.6	
1976--JAN.	8.1	-1.1	5.3	18.2	13.4	18.0	-53.6	7.1	3.6	8.7	
FEB.	14.6	3.8	7.7	21.4	14.7	10.7	-57.6	7.1	-19.6	5.7	
MAR.	9.6	4.3	3.1	11.0	14.2	21.1	-35.0	5.3	5.4	8.6	
APR.	15.9	14.6	8.1	14.9	14.1	6.9	-29.5	5.3	0.0	17.0	
MAY	11.0	5.3	1.0	11.4	13.3	6.9	-53.8	7.0	0.0	25.1	
JUNE P	3.1	-3.2	15.3	10.1	11.5	6.8	42.2	5.2	18.0	27.3	

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

P - PRELIMINARY.

## COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares <sup>1/</sup>	Credit Union Shares <sup>1/</sup>	CD's	Savings Bonds <sup>1/</sup>	Short Term U.S. Gov't Securities	Commercial Paper <sup>1/</sup>	Non-deposit Funds	U.S. Gov't Demand
	1	2	3	4	5	6	7	8	9	10	11	12
<b>ANNUALLY:</b>												
1973	61.5	209.0	364.4	300.9	323.5	24.7	63.5	60.4	50.3	38.3	6.6	5.0
1974	67.8	215.3	419.1	329.3	341.6	27.7	89.8	63.3	56.3	41.8	8.4	3.4
1975	73.7	221.0	452.4	369.6	395.5	33.3	82.9	67.2	67.3	41.6	8.4	3.0
<b>MONTHLY:</b>												
1975--JUNE	71.0	220.0	435.5	351.4	367.5	30.6	84.1	65.1	58.2	43.0	7.0	3.2
JULY	71.3	220.6	437.6	355.5	373.3	31.0	82.1	65.6	60.8	42.1	6.8	2.6
AUG.	71.9	221.3	436.2	357.4	378.8	31.5	78.6	65.9	62.2	41.1	7.0	2.8
SEPT.	72.0	221.6	438.3	359.2	383.5	31.9	79.1	66.2	61.0	40.4	7.0	3.0
OCT.	72.6	220.8	443.3	362.4	387.8	32.4	80.9	66.6	62.1	40.5	7.9	3.0
NOV.	73.4	222.1	448.3	366.5	391.8	32.8	81.8	66.9	65.4	41.1	8.2	3.9
DEC.	73.7	221.0	452.4	369.6	395.5	33.3	82.9	67.2	67.3	41.6	8.4	3.0
1976--JAN.	74.2	220.8	454.4	375.2	399.9	33.8	79.2	67.6	67.5	41.9	7.9	2.6
FEB.	75.1	221.5	457.3	381.9	404.8	34.1	75.4	68.0	66.4	42.1	8.0	2.6
MAR.	75.7	222.3	458.5	385.4	409.6	34.7	73.2	68.3	66.7	42.4	8.2	2.5
APR.	76.7	225.0	461.6	390.2	414.4	34.9	71.4	68.6	66.7	43.0	7.5	2.5
MAY	77.4	226.0	462.0	393.9	419.0	35.1	68.2	69.0	66.7	43.9	7.6	2.3
JUNE P	77.6	225.4	467.9	397.2	423.0	35.3	70.6	69.3	67.7	44.9	8.4	3.7
<b>WEEKLY:</b>												
1976--MAY 5	77.1	225.5	461.0	391.9			69.1				7.3	1.7
12	77.3	227.2	461.8	393.6			68.2				7.6	1.9
19	77.4	225.8	461.7	394.1			67.6				7.8	2.5
26	77.2	225.7	462.7	394.7			68.0				7.8	3.1
JUNE 2	77.6	226.5	464.2	395.5			68.7				7.4	2.8
9	77.8	226.2	466.3	396.6			69.7				7.7	4.5
16	77.7	226.0	468.0	397.6			70.4				8.4	5.3
23	77.7	224.2	468.7	397.7			71.1				9.1	3.8
30P	77.6	224.1	471.5	399.5			72.0				8.8	2.5
JULY 7P	77.7	226.6	472.4	400.9			71.5				8.5	2.2

<sup>1/</sup> ESTIMATED MONTHLY AVERAGE LEVELS DERIVED BY AVERAGING END OF CURRENT MONTH AND END OF PREVIOUS MONTH REPORTED DATA.  
P - PRELIMINARY