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MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

January 14, 1977

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M_1 expanded at an 8.1 per cent annual rate in December, after remaining unchanged in November. For the December-January period growth is estimated at about a 7-1/4 per cent annual rate--somewhat above the Committee's operating range. Savings deposits at commercial banks have continued to expand at a very rapid pace in December and early January, but inflows of M_2 -type time deposits have slowed considerably. Consequently, for the two-month period M_2 is expected to grow at around an 11 per cent annual rate, near the mid-point of the Committee's range. Deposit flows at nonbank thrift institutions accelerated somewhat in December from their November pace. Nonborrowed reserves appear to be rising at about a 10 per cent annual rate over the December-January period, reflecting strong bank demands for excess reserves in recent statement weeks as well as the pick-up in growth of demand deposits.

Growth in Monetary Aggregates
over December-January period
(SAAR in per cent)

	<u>Ranges</u>	<u>Latest Estimates</u>
M_1	2½ to 6½	7.2
M_2	9 to 13	11.1

Memorandum:	<u>Avg. for statement</u> <u>week ending</u>	
Federal funds rate	Dec. 22	4.63
(Per cent per annum)	29	4.66
	Jan. 5	4.47
	12	4.55

(2) Throughout most of the intermeeting period, incoming data suggested that growth in M_1 and M_2 over the December-January period would be within their respective two-month ranges, and the Desk continued to seek a Federal funds rate of around 4-5/8 per cent. While data available in the past few days suggested that M_1 growth for the period may be somewhat above its range, M_2 growth remained near the mid-point of its range, and the Desk--with the FOMC meeting only a few days away--decided to continue aiming for a funds rate of around 4-5/8 per cent.

(3) Interest rates were generally stable in the last half of December, but in early January there were substantial upward rate pressures, especially on intermediate-term Treasury coupon issues. The continued stability of the funds rate at a time when many market participants had expected this rate to decline further appears to have contributed somewhat to the backup in market rates. Rate increases were intensified by press reports regarding possible fiscal stimulus and Federal deficits, by indications that the pace of economic activity has picked up in recent months, and by more rapid M_1 growth than anticipated. On balance, since the last FOMC meeting, rates in short-term markets have advanced 10 to 30 basis points; yields on intermediate Treasury issues have increased as much as 60 basis points; and interest rates on long-term corporate and Treasury bonds have risen 10 to 25 basis points.

(4) Short-term business credit demands increased modestly in December as a rise in commercial paper issuance was nearly offset by a

decline in business loans at commercial banks. Activity in the capital markets was light over much of the intermeeting period reflecting the normal holiday lull. Most recently, however, the volume of corporate and municipal issues brought to market has increased sharply and the forward calendar has built up substantially, apparently reflecting the decision of borrowers to take advantage of the relatively low yields prevailing in bond markets. The Treasury has raised \$3.8 billion of new money since the December meeting, and is expected to borrow much more heavily in the four weeks following the January meeting.

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

	Calendar Year	Calendar Year	Past Six Months Dec. '76 over June '76	Past Three Months Dec. '76 over Sept. '76	Past Month Dec. '76 over Nov. '76
	1975	1976			
Nonborrowed reserves	-0.2	1.7	4.7	8.3	7.0
Total reserves	-1.9	1.5	4.2	8.2	6.3
Monetary Base	5.3	7.0	7.0	8.4	7.8
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	4.1	5.8	5.7	7.3	8.1
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	8.5	11.3	11.7	12.9	12.3
M ₃ (M ₂ plus deposits at thrift institutions)	11.3	13.1	13.6	13.7	12.7
M ₄ (M ₂ plus CD's)	6.4	7.5	8.9	12.6	14.2
M ₅ (M ₃ plus CD's)	9.7	10.6	11.7	13.5	13.6
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	3.9	4.8	6.5	12.0	10.8
Loans and investments of commercial banks <u>2/</u>	4.4	6.3	7.5	7.9	1.9
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-.6	-1.6	-1.1	.5	1.7
Nonbank commercial paper	-.2	.2	-.1	.2	.7

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

(6) Three alternative sets of longer-run ranges for the monetary aggregates applicable to the one year QIV '76-QIV '77 period are shown below. Alternative B continues the same ranges currently in place except for the bank credit proxy for which the range is higher than the present 5-8 per cent. The relationship of the proposed ranges to shorter-run specifications and longer-run interest rate and monetary developments is discussed in ensuing paragraphs. (End-point levels for M_1 and M_2 implied by current and proposed longer-run ranges are compared in appendix I).

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
M_1	5½-7½	4½-6½	3½-5½
M_2	8½-11	7½-10	6½-9
M_3	10-12½	9-11½	7½-10
Bank credit proxy	8-11	7½-10½	6½-9½

(7) Shorter-run specifications for monetary aggregates and the Federal funds rate consistent with the longer-run ranges are summarized below. More detailed short-run and longer-run data are shown in the tables on pp. 5a and 5b.^{1/}

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for January-February			
M_1	4-8	3½-7½	3-7
M_2	8-12	7½-11½	7-11
Federal funds rate (Intermeeting period)	3¾-4½	4½-5	4¾-5½

^{1/} Appendix II includes estimates of 6-month growth rates in nonborrowed reserves--and related measures--believed consistent with the alternative longer-run growth rates in the monetary aggregates.

Alternative Levels and Growth Rates for Key Monetary Aggregates

	<u>M₁</u>			<u>M₂</u>			<u>M₃</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 December	311.9	311.9	311.9	739.5	739.5	739.5	1236.3	1236.3	1236.3
1977 January	313.5	313.5	313.5	745.5	745.5	745.5	1248.3	1248.3	1248.3
February	315.0	314.8	314.6	751.7	751.2	750.7	1260.5	1259.9	1259.3
1976 QIII	305.9	305.9	305.9	710.9	710.9	710.9	1182.5	1182.5	1182.5
QIV	310.5	310.5	310.5	732.4	732.4	732.4	1223.8	1223.8	1223.8
1977 QI	315.2	315.0	314.8	752.1	751.5	750.9	1261.0	1260.2	1259.5
QII	320.7	320.0	319.1	772.8	769.7	767.1	1299.6	1295.1	1290.6
QIII	325.7	323.9	322.1	790.8	784.9	778.6	1332.9	1323.9	1313.1
QIV	330.8	327.6	324.4	808.2	798.3	788.4	1363.9	1348.7	1331.1
<u>Growth Rates</u>									
Monthly:									
1977 January	6.2	6.2	6.2	9.7	9.7	9.7	11.6	11.6	11.6
February	5.7	5.0	4.2	10.0	9.2	8.4	11.7	11.2	10.6
Quarterly Average:									
1976 QIV	6.0	6.0	6.0	12.1	12.1	12.1	14.0	14.0	14.0
1977 QI	6.1	5.8	5.5	10.8	10.4	10.1	12.2	11.9	11.7
QII	7.0	6.3	5.5	11.0	9.7	8.6	12.2	11.1	9.9
QIII	6.2	4.9	3.8	9.3	7.9	6.0	10.2	8.9	7.0
QIV	6.3	4.6	2.9	8.8	6.8	5.0	9.3	7.5	5.5
<u>Semi-annual</u>									
QIV '76-QII '77	6.6	6.1	5.5	11.0	10.2	9.5	12.4	11.7	10.9
QII '77-QIV '77	6.3	4.8	3.3	9.2	7.4	5.6	9.9	8.3	6.3
<u>Annual</u>									
QIII '76-QIV '77	6.5	5.7	4.8	10.9	9.8	8.7	12.3	11.2	10.1
QIII '76-QIII '77	6.5	5.9	5.3	11.2	10.4	9.5	12.7	12.0	11.0
QIV '76-QIV '77	6.5	5.5	4.5	10.3	9.0	7.6	11.4	10.2	8.8

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

	<u>M₄</u>			<u>M₅</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 December	803.4	803.4	803.4	1300.1	1300.1	1300.1	539.2	539.2	539.2
1977 January	809.6	809.6	809.6	1312.4	1312.4	1312.4	542.3	542.3	542.3
February	815.2	814.7	814.3	1324.0	1323.4	1322.9	545.2	544.8	544.5
1976 QIII	776.3	776.3	776.3	1247.9	1247.9	1247.9	523.2	523.2	523.2
QIV	795.1	795.1	795.1	1286.4	1286.4	1286.4	534.1	534.1	534.1
1977 QI	815.4	815.1	814.7	1324.2	1323.8	1323.2	545.5	545.4	545.1
QII	834.5	832.7	830.8	1361.4	1358.2	1354.3	558.6	557.8	556.7
QIII	852.7	849.2	845.0	1394.8	1388.2	1379.5	573.4	571.7	569.5
QIV	871.1	864.9	858.0	1426.8	1415.4	1400.7	584.6	581.5	577.6
<u>Growth Rates</u>									
Monthly:									
1977 January	9.3	9.3	9.3	11.4	11.4	11.4	6.9	6.9	6.9
February	8.3	7.6	7.0	10.6	10.1	9.6	6.4	5.5	4.9
Quarterly Averages:									
1976 QIV	9.7	9.7	9.7	12.3	12.3	12.3	8.3	8.3	8.3
1977 QI	10.2	10.1	9.9	11.8	11.6	11.4	8.5	8.5	8.2
QII	9.4	8.6	7.9	11.2	10.4	9.4	9.6	9.1	8.5
QIII	8.7	7.9	6.8	9.8	8.8	7.4	10.6	10.0	9.2
QIV	8.6	7.4	6.2	9.2	7.8	6.1	7.8	6.9	5.7
<u>Semi-annual</u>									
QIV '76-QII '77	9.9	9.5	9.0	11.7	11.2	10.6	9.2	8.9	8.5
QII '77-QIV '77	8.8	7.7	6.5	9.6	8.4	6.9	9.3	8.5	7.5
<u>Annual</u>									
QIII '76-QIV '77	9.8	9.1	8.4	11.5	10.7	9.8	9.4	8.9	8.3
QIII '76-QIII '77	9.8	9.4	8.8	11.8	11.2	10.5	9.6	9.3	8.8
QIV '76-QIV '77	9.6	8.8	7.9	10.9	10.0	8.9	9.5	8.9	8.1

(8) Under alternative B, with a Federal funds rate centered within a $4\frac{1}{4}$ -5 per cent range, we would expect M_1 to grow in a $3\frac{1}{2}$ - $7\frac{1}{2}$ per cent annual rate range over the January-February period. This represents a slightly higher 2-month range than has been presented in recent blue books, and reflects the pick-up in M_1 growth that has occurred during the past few weeks as well as the stronger demand for money expected to be associated with the projected acceleration in growth of nominal GNP in the first quarter.

(9) Growth in M_2 over the January-February period may be in a $7\frac{1}{2}$ - $11\frac{1}{2}$ per cent annual rate range under alternative B. The time and savings deposit component of M_2 is expected to grow less than in the fourth quarter, largely because banks have become less aggressive in seeking out time deposit funds. Offering rates reportedly have been cut, and longer-term certificates are apparently not being offered by some banks.

(10) Interest rates might show little further change between now and the next Committee meeting if the funds rate remains around $4\text{-}5\frac{1}{8}$ per cent, although some further rate increase would not be surprising in view of market conditions. Demands by corporations and state and local governments on bond markets are expected to be quite heavy, as a large number of new issues have been accelerated to take advantage of current relatively low yield levels. Treasury cash needs in the first quarter are large--probably about \$24 billion. The Treasury may raise about \$4-5 billion of new cash in connection with the mid-February refunding, to be announced on January 26. Perhaps the chief factor that

could cause market rates to rise somewhat over the next few weeks, however, would be the effect on market expectations of any further evidence of a strengthening in the economy, monetary aggregates, and fiscal stimulus.

(11) To maintain growth in monetary aggregates over the QIV '76-QIV '77 period within the longer-run ranges proposed under alternative B, the staff expects that the Federal funds rate would have to begin rising by early spring, and would reach a 1977 peak of around $6\frac{1}{2}$ per cent in the fourth quarter of the year. The rise in short-term rates more generally that would be associated with such an increase in the funds rate would tend to curb the growth in time and savings deposits at banks and thrift institutions. As a result growth in M_2 and M_3 is expected to slow progressively as the year goes on. At the same time banks would probably begin to offer CD's more aggressively to accommodate credit demands generated by the projected substantial expansion in GNP. Bank credit expansion in 1977 is likely to be considerably more rapid than in 1976, when banks permitted outstanding CD's to drop sharply.

(12) Growth in M_1 also is expected to be slower in the second half of the year than in the first half, partly reflecting the cumulative impact on money demand of a gradual tightening in money market conditions. In addition, growth in the first half is likely to be raised relative to the second half as a result of the particular fiscal stimulus being proposed. We have assumed that \$10 billion of tax rebates and one-time social security payments would be made during the spring, which would enlarge growth in M_1 , as well as M_2 and M_3 , in that period. Tax refunds in late winter and early spring are expected to be larger than last year and could also have a transitory impact on M_1 .

(13) Alternative A encompasses a reduction in the Federal funds rate to the mid-point of a $3\frac{3}{4}$ - $4\frac{1}{2}$ per cent range over the next few weeks. Under this assumption, M_1 and M_2 over the January-February period would be expected to grow at annual rates of 4-8 and 8-12 per cent respectively. Interest rates would be expected to decline over the next few weeks, but reductions may be limited, particularly in long-term markets. Expectations that interest rates would soon rise might develop as the market observes faster growth in the aggregates and as the pace of economic expansion picks up.

(14) Over the longer-run, under alternative A, we would not expect a very substantial rise in interest rates to develop, however, since the higher longer-run growth in the monetary aggregates embodied in that alternative would be more accommodative of money and credit demands. The funds rate would probably have to rise under this alternative, given the projected strength of the economy, but perhaps to no more than an average level of around $5\frac{1}{4}$ per cent by the fourth quarter of the year.

(15) Alternative C involves a tightening of the Federal funds rate over the next few weeks to the mid-point of a $4\frac{3}{4}$ - $5\frac{1}{2}$ per cent range. Over the January-February period M_1 growth may be in a 3-7 per cent range--a step toward attaining the lower longer-run ranges for the monetary aggregates proposed for this alternative. The staff would expect that further pressures would have to be applied to the money market as the year progresses if growth in M_1 over the QIV '76-QIV '77 period is to be constrained to around the mid-point of the $3\frac{1}{2}$ - $5\frac{1}{2}$ per

cent alternative C range. The funds rate might reach about $7\frac{1}{2}$ per cent by the fourth quarter.

(16) An increase in the funds rate over the next few weeks by about $\frac{1}{2}$ percentage point would probably cause the 3-month bill rate to rise into a $5-5\frac{1}{2}$ per cent range. And rate increases in the intermediate-term Treasury coupon market could be substantial, since dealer coupon positions remain fairly sizable and because of the large amount of cash that may be raised in this area in connection with the forthcoming Treasury refunding. Corporate and municipal bond yields would also be likely to rise, but postponements of issues recently scheduled to take advantage of lower rates could moderate the increase.

Proposed directive

(17) 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 again 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 ~~maintain-prevailing~~ ACHIEVE bank reserve and money market conditions CONSISTENT WITH SUBSTANTIAL GROWTH IN MONETARY AGGREGATES over the period ~~immediately ahead,-provided-that-monetary-aggregates-appear-to-be-growing-at-about-the-rates-currently-expected.~~

Alternative B

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ~~maintain-prevailing~~ ACHIEVE 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.~~

Alternative C

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ~~maintain-prevailing~~ ACHIEVE bank reserve and money market conditions CONSISTENT WITH MODEST GROWTH IN MONETARY AGGREGATES over the period ~~immediately ahead,--provided-that-monetary-aggregates-appear~~ ~~to-be-growing-at-about-the-rates-currently-expected.~~

"Money Market" Proposal

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to maintain prevailing bank reserve and money market conditions over the period immediately ahead, provided that monetary aggregates appear to be growing at about the rates currently expected.

Appendix I

Comparison of Levels of M_1 and M_2 Under Current and Proposed Longer-run Ranges (\$ billion)

<u>Terminal Quarters</u>	<u>M_1</u>			
	Level Based on Growth From QIII '76 at a <u>5½ Per Cent Rate</u>	<u>Levels based on longer-run growth from QIV '76 at rates assumed in:</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
QIII '77	322.8	325.7	323.9	322.1
QIV '77	327.2	330.8	327.6	324.4

	<u>M_2</u>			
	<u>Growth From QIII at an 8½ Per Cent Rate</u>			
QIII '77	773.1	790.8	784.9	778.6
QIV '77	790.0	808.2	798.3	788.4

NOTE: The last three columns assume that growth around the mid-points of the proposed ranges is achieved and are the same numbers as shown in the table on p. 5a.

The above tabulation indicates that the proposed alternative B implies levels of M_1 in the latter half of 1977 little different from those implicit in the current longer-run range based on the third quarter of 1976. Because of the more rapid growth in M_1 now expected in the first half of 1977, the third quarter 1977 level under alternative B is slightly higher (.3 of a per cent), but the fourth quarter level is virtually the same.

For M_2 , however, the proposed alternative B implies substantially higher levels in the latter half of 1977 than are implied by the mid-point

of the current growth range based on QIII '76. By the third quarter, M_2 would be about $1\frac{1}{2}$ per cent, and by the fourth quarter about 1 per cent, higher under proposed alternative B. The levels of alternative C are considerably closer to the previously implied mid-point levels.

Appendix II

Expansion in Reserves Over the Period
From QIV '76 to QII '77 Consistent
With Proposed Alternatives
(Seas. adj. annual rates)

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Nonborrowed Reserves	7.8	6.5	4.1
Total Reserves	7.8	7.5	7.1
Monetary Base	8.3	8.2	8.1

Appendix III

Projected Federal Funds Rate

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	QI	4½	4¾	5½
	QII	4¾	5½	6½
	QIII	5	6	7
	QIV	5½	6½	7½

Appendix IV

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

		<u>M₁</u>		<u>M₂</u>		<u>M₃</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	4.5	2.7	11.0	9.7	12.3	11.2
	II	6.8	8.4	9.3	10.8	11.0	12.0
	III	4.1	4.1	10.3	9.2	13.1	11.6
	IV	7.3	6.0	12.9	12.1	13.7	14.0
QIV '75-QIV '76		5.8	5.4	11.3	10.9	13.1	12.8

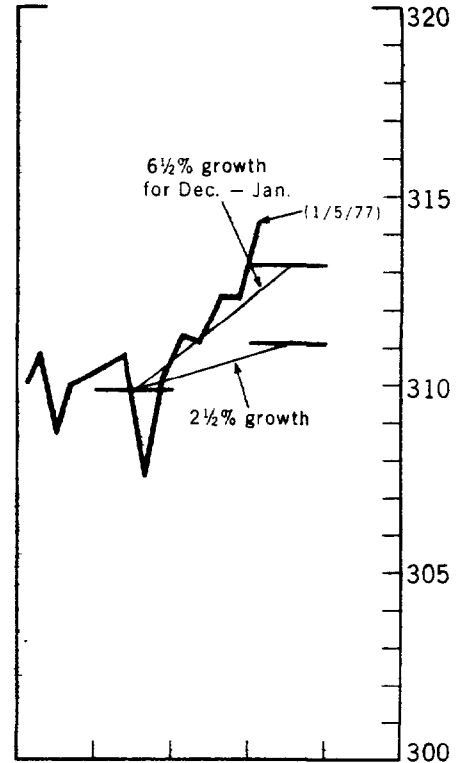
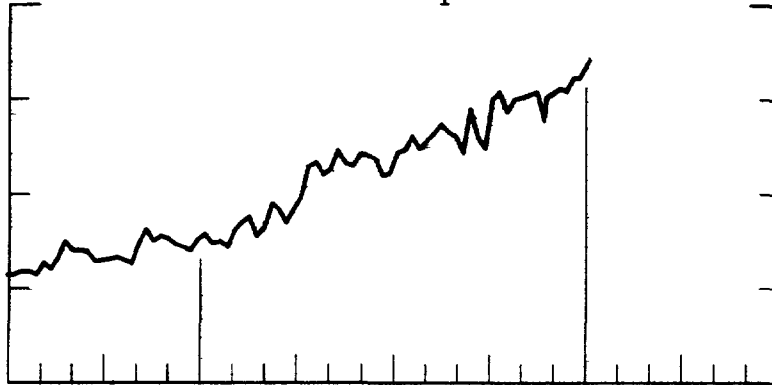
M = Annual rates of growth calculated from average levels in the final months of the quarters.

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

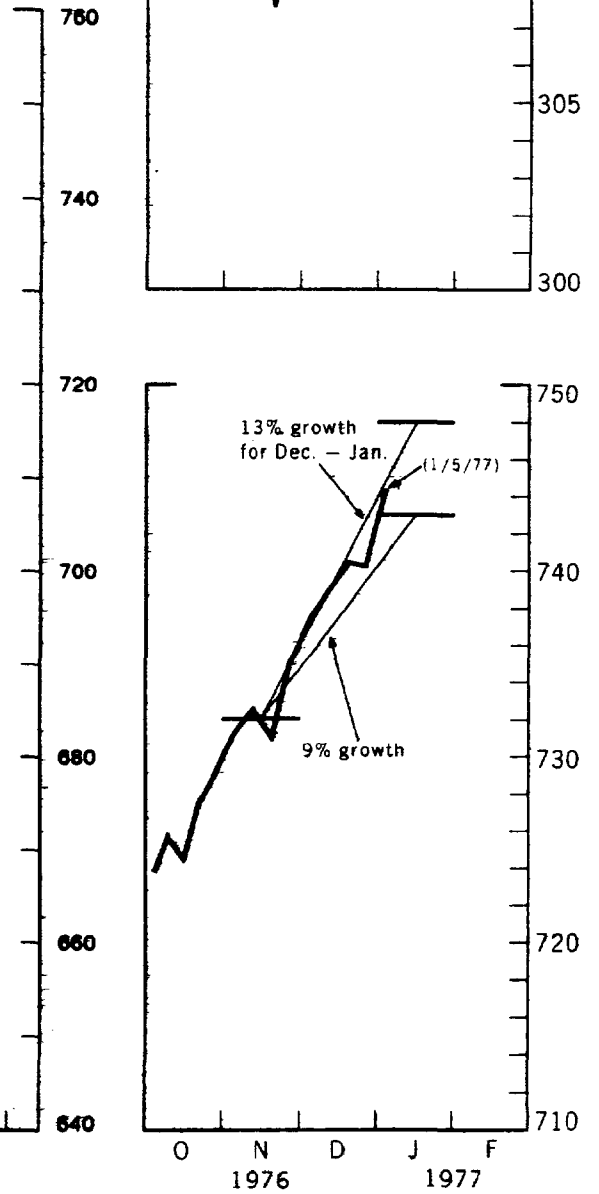
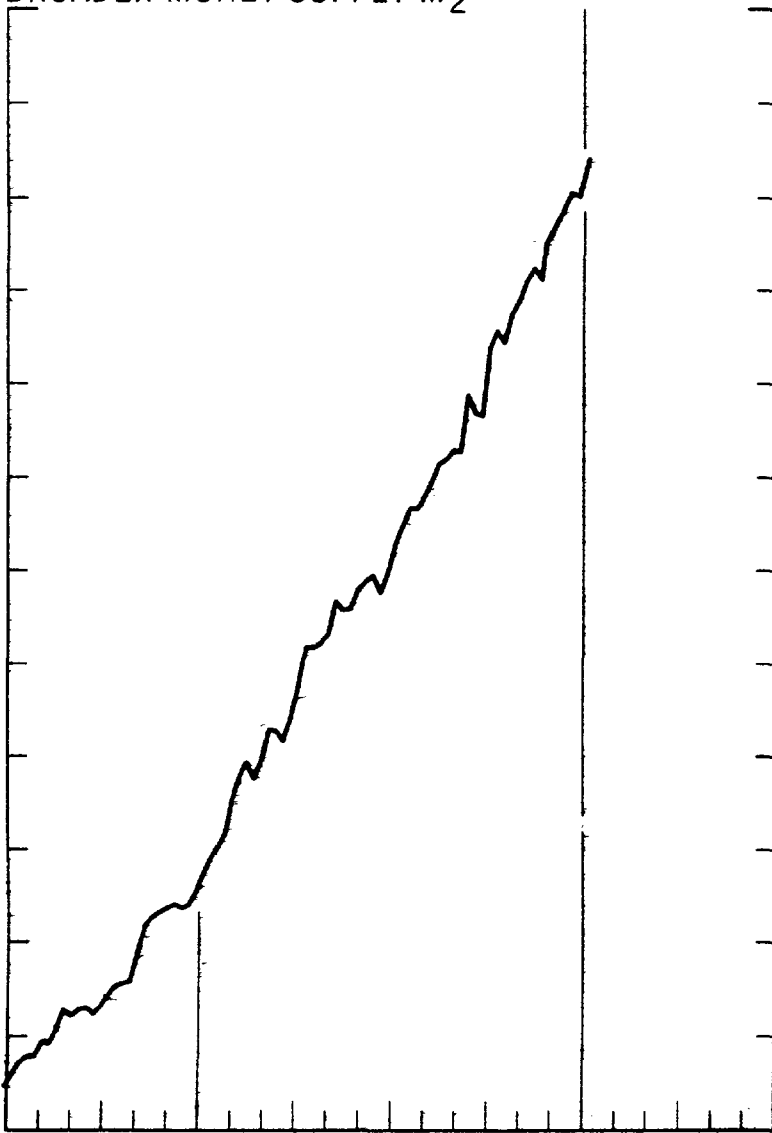
MONETARY AGGREGATES

NARROW MONEY SUPPLY M₁

BILLIONS OF DOLLARS



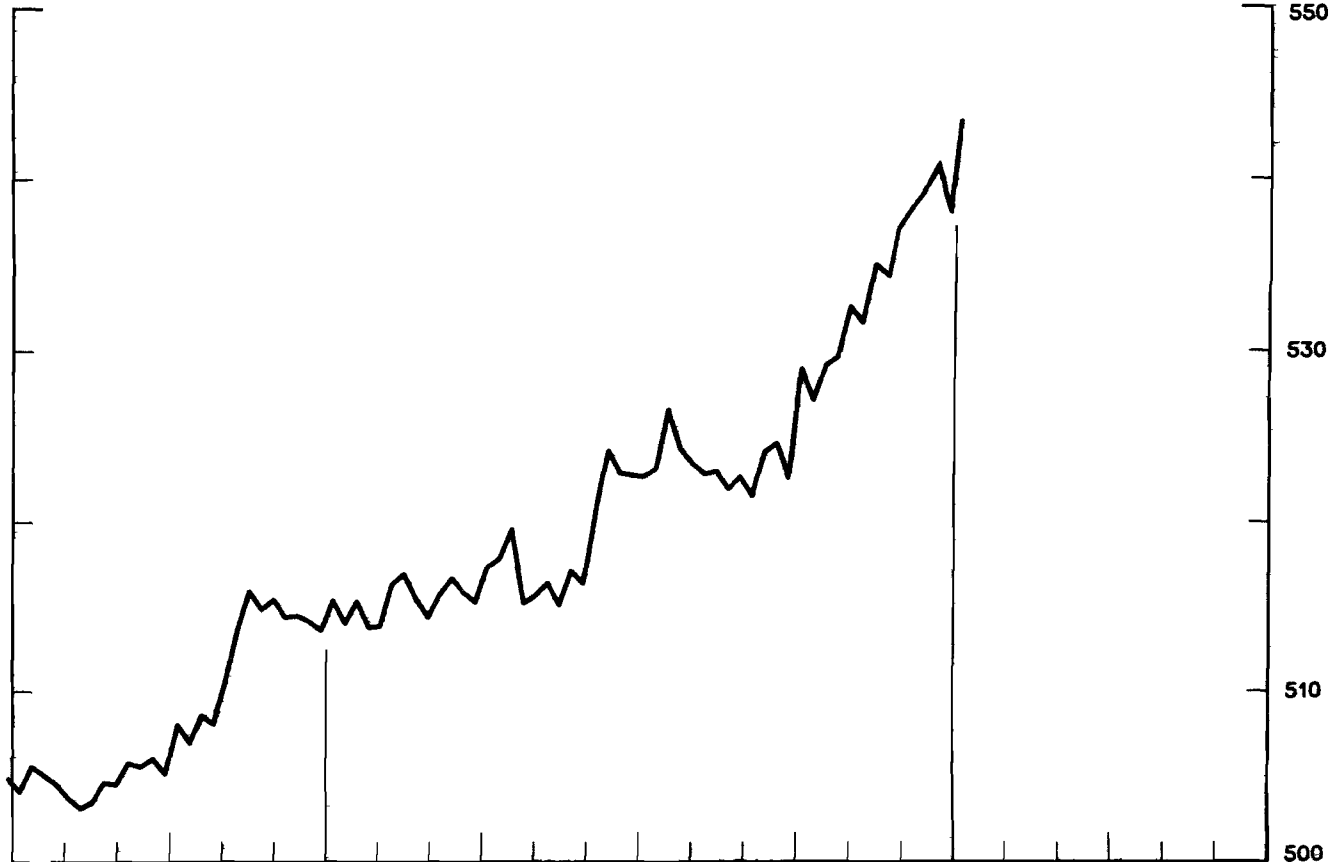
BROADER MONEY SUPPLY M₂



MONETARY AGGREGATES

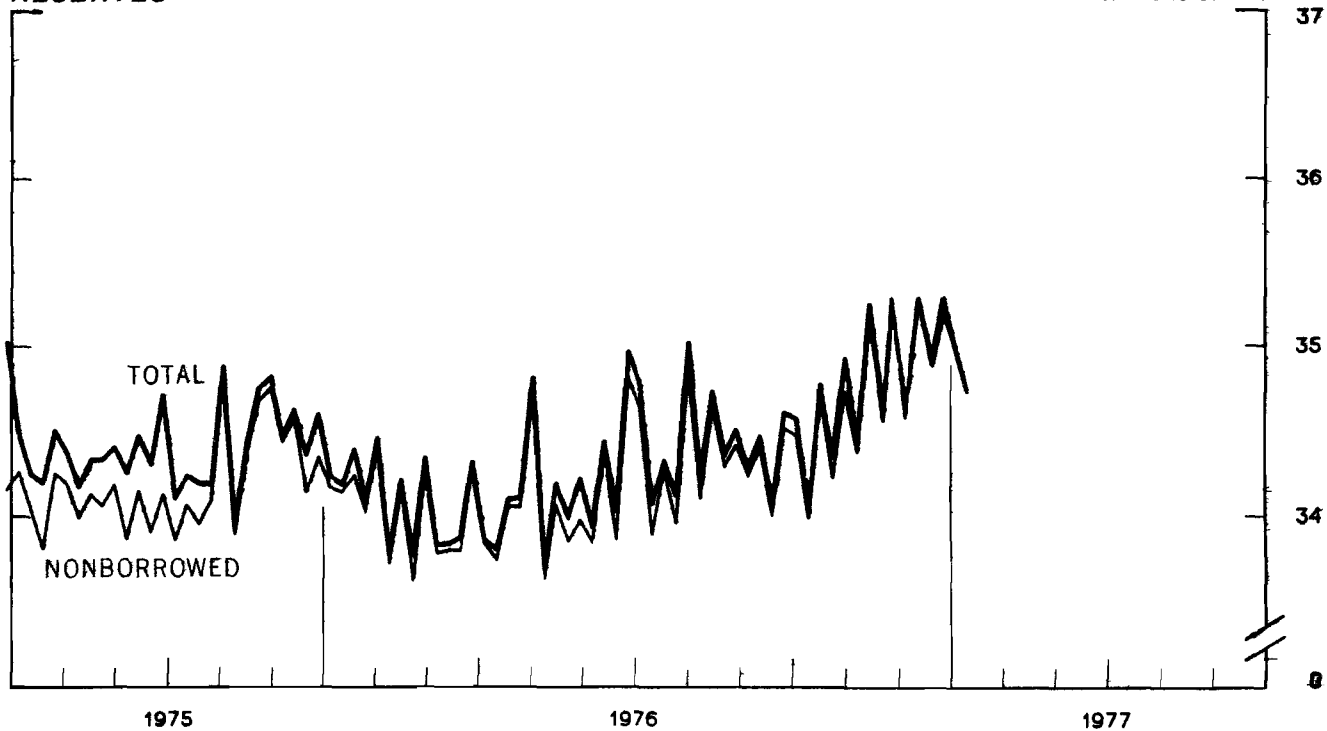
ADJUSTED CREDIT PROXY

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

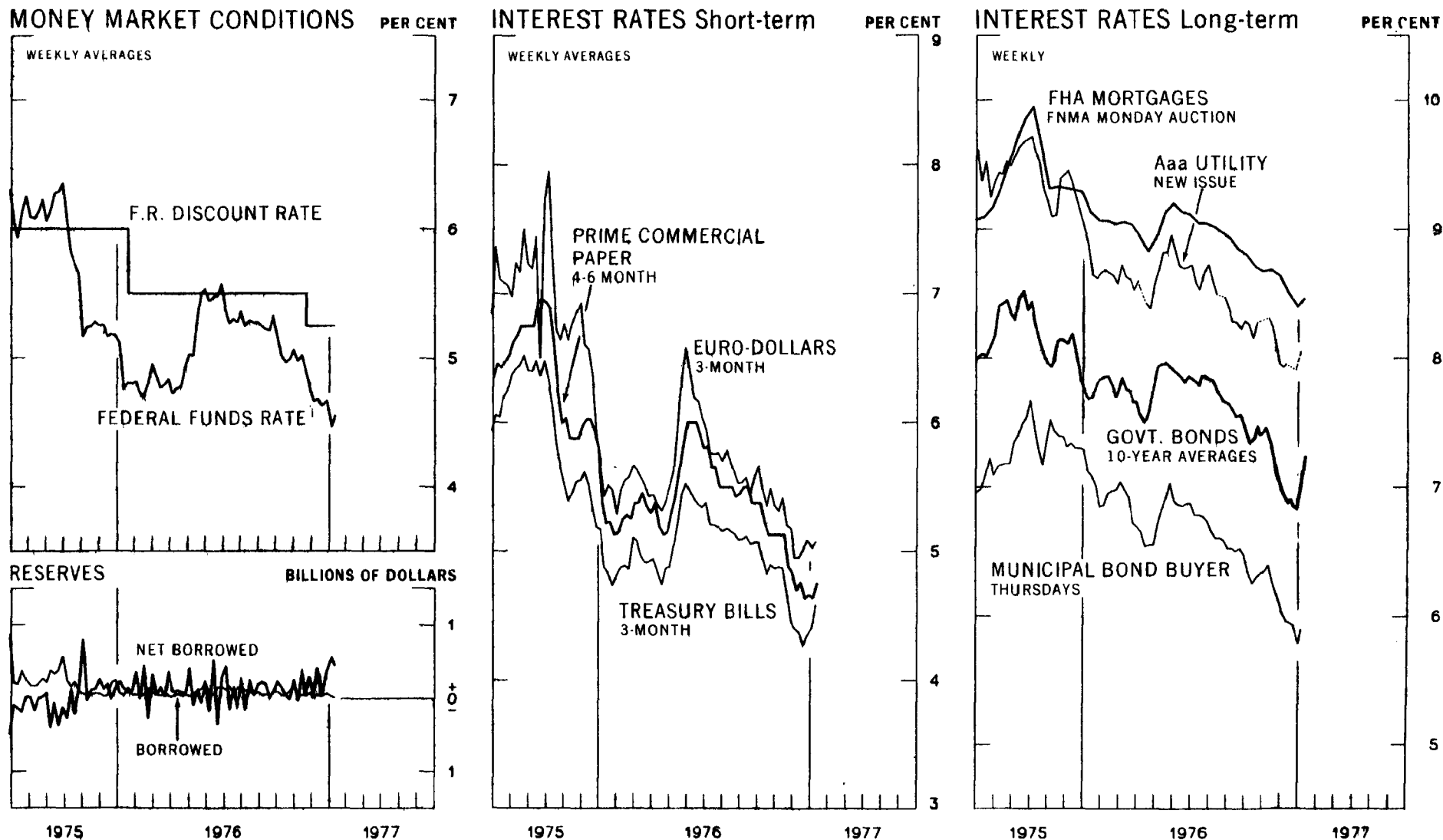


Table 1

CONFIDENTIAL (FR)
CLASS II-FOMC

JAN. 14, 1977

MONETARY AGGREGATES

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	Money Supply		Adjusted Credit Proxy	Total U.S. Govt. Deposits	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
MONTHLY LEVELS--\$BIL											
1976--OCT.	309.8	725.8	528.6	13.9	478.0	416.0	192.6	223.5	62.0	9.0	3.4
NOV.	309.8	732.0	534.4	13.5	484.2	422.2	196.8	225.4	62.1	9.1	4.5
DEC.	311.9	739.5	539.2	10.1	491.5	427.6	201.4	226.2	63.8	9.2	3.2
1977--JAN.	(313.5)	(745.5)	(542.3)	(9.1)	(496.0)	(432.0)	(205.1)	(226.9)	(64.1)	(6.6)	(2.4)
% ANNUAL GROWTH											
QUARTERLY											
1976--2ND QTR.	6.8	9.3	4.9		7.3	11.3	13.6	9.5	-14.2		
3RD QTR.	4.1	10.3	0.9		5.7	15.0	19.0	11.7	-46.5		
4TH QTR.	7.3	12.9	12.0		16.1	17.1	28.7	7.2	9.0		
QUARTERLY--AV											
1976--2ND QTR.	8.4	10.8	2.4		5.3	12.5	21.7	5.1	-30.6		
3RD QTR.	4.1	9.2	3.8		7.1	13.2	13.4	12.7	-26.2		
4TH QTR.	6.0	12.1	8.3		12.1	16.7	26.9	8.2	-17.7		
MONTHLY											
1976--OCT.	13.7	15.7	11.7		14.0	17.3	30.0	7.0	-7.7		
NOV.	0.0	10.3	13.2		15.6	17.9	26.2	10.2	1.9		
DEC.	8.1	12.3	10.8		18.1	15.3	28.0	4.3	32.9		
1977--JAN.	(6.2)	(9.7)	(6.9)		(11.0)	(12.3)	(22.0)	(3.7)	(5.6)		
DEC.--JAN.	(7.2)	(11.1)	(8.9)		(14.6)	(13.9)	(25.3)	(4.0)	(19.3)		
WEEKLY LEVELS--\$BIL											
1976--DEC.											
1	310.2	735.0	537.1	11.8	487.6	424.9	198.3	226.6	62.8	9.4	3.5
8	311.3	737.6	538.2	8.9	489.5	426.4	199.9	226.4	63.1	8.9	4.0
15	311.1	739.0	539.1	8.7	491.3	427.9	201.0	226.9	63.4	8.9	4.3
22	312.3	740.5	540.8	11.2	492.0	428.2	202.1	226.1	63.7	9.9	3.8
29	312.3	740.2	538.2	10.7	492.8	427.9	202.2	225.7	64.9	9.0	2.1
JAN. 5	314.3	744.3	543.3	10.2	495.3	430.1	202.9	227.2	65.3	8.9	1.9

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

TABLE 2
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
MONTHLY LEVELS--\$MILLIONS							
1976--OCT.	33,971	33,877	116,375	33,751	20,131	11,696	1,925
NOV.	34,355	34,283	117,361	34,097	20,336	11,749	2,013
DEC.	34,536	34,483	118,128	34,235	20,242	11,924	2,069
1977--JAN.	(34,887)	(34,853)	(119,150)	(34,624)	(20,563)	(12,162)	(1,899)
PERCENT ANNUAL GROWTH							
QUARTERLY							
1976--2ND QTR.	3.9	3.0	8.8	4.0	6.0	-1.0	
3RD QTR.	0.2	1.0	5.4	0.4	4.0	-6.4	
4TH QTR.	8.2	8.3	8.4	7.0	1.8	9.3	
QUARTERLY-AV							
1976--2ND QTR.	0.7	0.4	8.5	1.1	4.2	-4.4	
3RD QTR.	3.0	3.0	6.0	2.7	3.6	-0.8	
4TH QTR.	4.4	4.7	7.3	3.9	2.9	-0.9	
MONTHLY							
1976--OCT.	4.5	3.3	7.1	3.8	-1.3	4.4	
NOV.	13.6	14.4	10.2	12.3	12.2	5.4	
DEC.	6.3	7.0	7.8	4.9	-5.5	17.9	
1977--JAN.	(12.2)	(12.9)	(10.4)	(13.6)	(19.0)	(24.0)	
DEC.-JAN.	(9.3)	(10.0)	(9.1)	(9.3)	(6.7)	(21.1)	
WEEKLY LEVELS--\$MILLIONS							
1976--DEC.							
1	34,763	34,676	118,069	34,379	20,333	11,806	2,240
8	34,084	34,058	117,358	33,959	19,872	11,859	2,228
15	34,756	34,687	118,397	34,289	20,385	11,906	1,998
22	34,383	34,346	117,964	34,312	20,387	11,935	1,991
29	34,757	34,675	118,552	34,310	20,267	11,993	2,050
1977--JAN.							
5	34,995	34,963	119,001	34,403	20,395	11,996	2,012
12	34,736	34,717	118,966	34,277	20,494	12,124	1,660

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

CONFIDENTIAL (FR)
 CLASS II - FOMC
 January 14, 1977

TABLE 3
 NET CHANGES IN SYSTEM HOLDINGS OF SECURITIES^{1/}
 (\$ 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'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		
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
1975--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
Qtr. III	45	171	881	345	160	1,557	--	--	--	--	--	1,398	392
Qtr. IV	-886	77	794	232	192	1,294	--	41	37	36	115	436	304
1976--July	-2,000	--	--	--	--	--	--	--	--	--	--	-2,040	-2,334
Aug.	1,100	42	301	72	65	480	--	--	--	--	--	1,484	2,093
Sept.	954	129	580	272	95	1,077	--	--	--	--	--	1,954	633
Oct.	418	--	--	--	--	--	--	--	--	--	--	409	-1,742
Nov.	-733	18	113	62	73	266	--	41	37	36	115	-377	-3,930
Dec.	-570	59	681	170	119	1,029	--	--	--	--	--	403	5,976
1976--Nov. 3	-200	--	--	--	--	--	--	--	--	--	--	-199	3,597
10	-535	--	--	--	--	--	--	--	--	--	--	-535	-4,105
17	92	--	--	--	--	--	--	--	--	--	--	91	-588
24	54	--	--	--	--	--	--	41	37	36	115	171	3,462
Dec. 1	-518	18	113	62	73	266	--	--	--	--	--	-292	-6,290
8	-1,025	--	--	--	--	--	--	--	--	--	--	-1,033	3,102
15	-234	--	--	--	--	--	--	--	--	--	--	-267	3,384
22	757	44	242	122	84	492	--	--	--	--	--	1,249	2,882
29	42	--	--	--	--	--	--	--	--	--	--	43	3,254
1977--Jan. 5	-71	15	439	48	35	537	--	--	--	--	--	465	-6,349
12	-45	--	--	--	--	--	--	--	--	--	--	-45	-1,231
19													
26													

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. Exclude 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 (-).

Note: On January 12, the System's outright holdings of securities totalled \$100.1 billion, including \$38.4 billion of Treasury bills, \$54.7 billion of Treasury notes and bonds, and \$6.8 billion of Agency issues. In addition, the System had a net RP position of \$1.9 billion.

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

CONFIDENTIAL (FR)
CLASS II - FOMC
JANUARY 14, 1977

	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	8,896	*3,046	334	343	655	242	34	-8,161	-12,744
Low	3,668	175	0	34	-180	24	8	-2,367	- 6,908
1975--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	214	127	20	-4,219	- 9,158
July	5,743	904	106	211	234	132	25	-4,756	- 9,399
Aug.	6,174	1,686	85	116	207	100	31	-4,624	- 9,691
Sept.	7,838	1,509	95	172	205	63	31	-5,703	- 9,716
Oct.	6,271	1,832	94	258	221	94	32	-6,428	-10,527
Nov.	6,876	2,418	79	217	257	72	22	-6,289	-11,618
Dec.	*8,005	*2,443	145	167	311p	53p	13p	-7,168	-11,449
1976--Nov. 3	6,106	1,355	65	253	461	202	30	-5,730	-10,276
10	7,818	2,904	24	343	22	51	24	-8,030	-12,664
17	6,894	2,417	70	176	434	54	21	-7,059	-11,985
24	6,480	2,441	156	97	120	44	21	-5,479	-11,665
Dec. 1	6,402	2,359	0	122	384	87	19	-5,146	-10,845
8	7,927	2,611	152	144	125	26	14	-6,873	-12,362
15	8,896	1,932	266	226	467	69	15	-7,908	-12,349
22	*7,815	*2,068	116	201	71	37	11	-7,726	-11,729
29	*8,179	*3,046	44	143	447p	82p	11p	-6,407	-10,050
1977--Jan. 5	*7,123	*3,017	26	188	592p	32p	8p	-6,781p	-10,537p
12	*7,141	*2,680	100p	196p	468p	20p	10p	-8,885p	-12,316p
19									
26									

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

TABLE 5
SELECTED INTEREST RATES
(per cent)

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
JANUARY 14, 1977

	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	4.63	4.27	4.62	4.63	4.40	4.50	7.93	7.85	5.83	7.26	8.39	7.57
1975--Dec.	5.20	5.44	6.16	5.88	5.65	5.83	9.36	9.21	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
July	5.31	5.23	5.82	5.54	5.30	5.42	8.63	8.63	6.79	8.00	9.05	8.37
Aug.	5.29	5.14	5.64	5.35	5.23	5.31	8.52	8.50	6.61	7.91	8.99	8.30
Sept.	5.25	5.08	5.50	5.33	5.11	5.24	8.29	8.33	6.51	7.78	8.88	8.10
Oct.	5.03	4.92	5.19	5.10	4.90	5.04	8.25	8.24	6.30	7.70	8.75	7.98
Nov.	4.95	4.75	5.00	4.98	4.84	4.94	8.17	8.18	6.29	7.64	8.66	7.93
Dec.	4.65	4.35	4.64	4.66	4.48	4.50	7.94	7.93	5.94	7.31	8.45	7.59
1976--Nov. 3	5.06	4.87	5.16	5.00	4.85	5.03	--	8.23	6.34	7.70	8.67	8.02
10	4.98	4.87	5.16	5.08	4.95	5.06	8.31	8.28	6.39	7.76	--	8.02
17	5.02	4.87	5.12	5.13	4.95	5.05	8.24	8.18	6.26	7.66	8.68	8.02
24	4.90	4.67	4.89	4.90	4.63	4.63	8.05	8.04	6.16	7.51	--	7.84
Dec. 1	4.78	4.46	4.68	4.75	4.54	4.50	7.95	7.97	6.03	7.39	8.63	7.75
8	4.67	4.40	4.65	4.68	4.54	4.50	7.93	7.94	5.96	7.32	--	7.62
15	4.68	4.37	4.66	4.65	4.40	4.50	7.95	7.97	5.95	7.34	8.51	7.60
22	4.63	4.27	4.62	4.68	4.46	4.50	--	7.92	5.93	7.28	--	7.57
29	4.66	4.33	4.62	4.63	4.48	4.50	--	7.84	5.83	7.23r	8.39	7.57
1977--Jan. 5	4.47	4.41	4.67	4.63	4.48	4.50	7.90	7.95	5.78	7.26	--	7.56
12	4.55	4.58	4.89	4.68	4.65	4.70	8.05p	8.02p	5.89	7.51p	8.46	7.92
19												
26												
Daily--Jan. 6	4.59	4.50	4.75	4.63	--	--	--	--	--	7.28	--	--
13	4.59p	4.52	4.87	4.75	--	--	--	--	--	7.51(1/12)	--	--

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 Monday preceding the end of the statement week. Column 12 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 I-A

MONEY AND CREDIT AGGREGATE MEASURES

JAN. 14, 1977

Period	BANK RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Monetary Base	Adj. Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
	(Per cent annual rates of growth)											
ANNUALLY:												
1974	7.1	9.2	9.2	10.2	9.2	4.7	7.2	6.8	10.6	9.0	8.8	9.0
1975	-1.9	-0.2	5.3	3.9	4.4	4.1	8.5	11.3	6.4	9.7	10.7	10.6
1976	1.5	1.7	7.0	4.8	6.3	5.8	11.3	13.1	7.5	10.6	10.1	10.3
SEMI-ANNUALLY:												
2ND HALF 1975	-2.6	-2.1	4.8	3.1	4.5	2.6	6.8	10.1	5.7	9.2	10.8	10.6
1ST HALF 1976	-1.2	-1.2	6.7	3.1	4.9	5.7	10.3	11.8	5.9	8.9	9.0	9.4
2ND HALF 1976	4.2	4.7	7.0	6.5	7.5	5.7	11.7	13.6	8.9	11.7	10.7	10.8
QUARTERLY:												
1ST QTR. 1976	-6.3	-5.4	4.6	1.2	5.5	4.5	11.0	12.3	4.6	8.1	8.3	8.3
2ND QTR. 1976	3.9	3.0	8.8	4.9	4.3	6.8	9.3	11.0	7.1	9.4	9.5	10.2
3RD QTR. 1976	0.2	1.0	5.4	0.9	7.0	4.1	10.3	13.1	5.0	9.7	9.0	9.0
4TH QTR. 1976	8.2	8.3	8.4	12.0	7.9	7.3	12.9	13.7	12.6	13.5	12.1	12.3
QUARTERLY-AV:												
1ST QTR. 1976	-3.8	-3.2	5.4	2.3	3.8	2.7	9.7	11.2	5.4	8.4	9.0	9.3
2ND QTR. 1976	0.7	0.4	8.5	2.4	5.4	8.4	10.8	12.0	6.6	9.3	9.3	9.8
3RD QTR. 1976	3.0	3.0	6.0	3.8	5.9	4.1	9.2	11.6	5.9	9.4	9.3	9.7
4TH QTR. 1976	4.4	4.7	7.3	8.3	8.7	6.0	12.1	14.0	9.7	12.3	10.8	10.8
MONTHLY:												
1975--DEC.	0.8	-1.6	7.0	0.7	-2.3	-3.2	4.0	7.1	5.3	7.7	8.8	9.6
1976--JAN.	-10.2	-8.4	2.7	-0.7	3.5	1.2	10.3	11.6	3.2	7.0	7.4	7.5
FEB.	-6.9	-7.0	4.0	3.5	5.9	6.1	14.1	14.4	6.6	9.5	9.2	9.0
MAR.	-1.8	-0.8	7.1	0.9	6.9	6.1	8.3	10.5	3.8	7.7	8.0	8.1
APR.	0.8	1.1	12.2	3.0	5.4	14.9	14.4	14.4	10.3	11.8	11.6	11.9
MAY	3.8	1.3	7.0	-4.6	5.4	6.8	8.5	10.5	2.7	6.6	6.9	7.8
JUNE	7.0	6.6	6.9	16.3	2.1	-1.2	4.8	7.7	8.2	9.7	9.8	10.7
JULY	2.0	1.7	5.3	3.0	6.9	6.7	11.9	13.0	9.0	11.1	12.0	12.3
AUG.	4.6	5.7	6.4	-2.5	8.2	5.9	9.2	12.7	0.3	7.1	6.3	6.2
SEPT.	-5.8	-4.4	4.5	2.3	5.9	-0.4	9.5	13.2	5.7	10.6	8.4	8.2
OCT.	4.5	3.3	7.1	11.7	12.2	13.7	15.7	16.5	14.0	15.3	13.6	13.4
NOV.	13.6	14.4	10.2	13.2	9.4	0.0	10.3	11.6	9.3	11.1	10.1	10.4
DEC. P	6.3	7.0	7.8	10.8	1.9	8.1	12.3	12.7	14.2	13.6	12.3	12.7

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.

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

JAN. 14, 1977

Period	BANK RESERVES 1/			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Monetary Base	Adj. Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:												
1974	34,693	33,966	104,892	495.3	695.2	283.1	612.4	981.6	702.2	1071.4	1181.6	1222.2
1975	34,034	33,904	110,425	514.4	725.5	294.8	664.3	1092.9	747.2	1175.8	1308.7	1351.4
1976	34,536	34,483	118,128	539.2	771.3	311.9	739.5	1236.3	803.4	1300.1	1440.3	1490.8
MONTHLY:												
1975--DEC.	34,034	33,904	110,425	514.4	725.5	294.8	664.3	1092.9	747.2	1175.8	1308.7	1351.4
1976--JAN.	33,745	33,667	110,671	514.1	727.6	295.1	670.0	1103.5	749.2	1182.7	1316.8	1359.9
FEB.	33,551	33,470	111,037	515.6	731.2	296.6	677.9	1116.7	753.3	1192.1	1326.9	1370.1
MAR.	33,502	33,448	111,691	516.0	735.4	298.1	682.6	1126.5	755.7	1199.7	1335.7	1379.3
APR.	33,523	33,478	112,831	517.3	738.7	301.8	690.8	1140.0	762.2	1211.5	1348.6	1393.0
MAY	33,629	33,515	113,487	515.3	742.0	303.5	695.7	1150.0	763.9	1218.2	1356.3	1402.1
JUNE	33,826	33,699	114,143	522.3	743.3	303.2	698.5	1157.4	769.1	1228.0	1367.4	1414.6
JULY	33,881	33,748	114,644	523.6	747.6	304.9	705.4	1169.9	774.9	1239.4	1381.1	1429.1
AUG.	34,010	33,909	115,255	522.5	752.7	306.4	710.8	1182.3	775.1	1246.7	1388.3	1436.5
SEPT.	33,845	33,784	115,686	523.5	756.4	306.3	716.4	1195.3	778.8	1257.7	1398.0	1446.3
OCT.	33,971	33,877	116,375	528.6	764.1	309.8	725.8	1211.7	787.9	1273.7	1413.8	1462.5
NOV.	34,355	34,283	117,361	534.4	770.1	309.8	732.0	1223.4	794.0	1285.5	1425.7	1475.2
DEC. P	34,536	34,483	118,128	539.2	771.3	311.9	739.5	1236.3	803.4	1300.1	1440.3	1490.8
WEEKLY:												
1976--NOV. 10	33,903	33,853	116,697	531.7		310.5	731.1		792.6			
17	34,705	34,651	117,657	535.0		310.8	732.5		794.5			
24	34,087	34,043	117,209	534.4		307.6	731.0		793.4			
DEC. 1	34,763	34,676	118,069	537.1		310.2	735.0		797.8			
8	34,084	34,058	117,358	538.2		311.3	737.6		800.7			
15	34,756	34,687	118,397	539.1		311.1	739.0		802.4			
22	34,383	34,346	117,964	540.8		312.3	740.5		804.2			
29P	34,757	34,675	118,552	538.2		312.3	740.2		805.1			
1977--JAN. 5P	34,995	34,963	119,001	543.3		314.3	744.3		809.6			

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 M₃, M₅, M₆, M₇, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

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

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits					Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities ^{1/}	Commercial Paper ^{1/}
			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)												
ANNUALLY:												
1974	10.2	3.0	15.0	9.4	7.0	11.2	41.4	5.6	12.1	4.8	9.0	16.8
1975	8.7	2.6	7.9	12.2	17.8	8.2	-7.7	15.8	20.2	6.3	39.5	5.7
1976	9.5	4.6	8.6	15.7	25.5	8.2	-23.0	15.8	17.4	6.7	4.1	18.3
SEMI-ANNUALLY:												
2ND HALF 1975	7.6	0.9	7.8	10.4	16.0	6.1	-2.9	15.2	17.6	6.4	51.7	5.3
1ST HALF 1976	10.6	4.2	6.0	13.9	23.6	6.6	-29.7	14.0	16.8	6.2	13.1	21.1
2ND HALF 1976	8.0	5.0	11.0	16.3	24.5	9.5	-19.3	16.5	16.6	6.9	-4.6	14.0
QUARTERLY:												
1ST QTR. 1976	10.9	2.5	4.6	16.0	32.4	3.6	-46.8	14.3	16.8	5.9	12.8	8.4
2ND QTR. 1976	10.0	5.8	7.3	11.3	13.6	9.5	-14.2	13.2	16.1	6.4	13.0	33.0
3RD QTR. 1976	7.7	2.8	5.7	15.0	19.0	11.7	-46.5	17.6	16.6	8.1	-2.3	9.3
4TH QTR. 1976	8.1	7.0	16.1	17.1	28.7	7.2	9.0	14.7	16.0	5.6	-6.9	18.2
QUARTERLY-AV:												
1ST QTR. 1976	9.8	0.5	7.2	15.3	28.3	5.6	-29.3	13.4	17.1	6.6	22.7	17.3
2ND QTR. 1976	11.7	7.4	5.3	12.5	21.7	5.1	-30.6	13.8	16.4	5.9	13.1	23.1
3RD QTR. 1976	7.3	2.8	7.1	13.2	13.4	12.7	-26.2	15.4	15.7	7.5	10.4	21.0
4TH QTR. 1976	8.7	5.1	12.1	16.7	26.9	8.2	-17.7	16.6	18.4	6.8	-13.0	11.6
MONTHLY:												
1975--DEC.	4.9	-5.9	11.0	10.1	20.5	1.7	16.1	11.3	18.3	7.2	31.9	34.7
1976--JAN.	8.1	-0.5	4.5	17.2	26.9	10.3	-53.6	13.4	18.0	5.3	14.6	11.2
FEB.	12.9	3.8	6.9	20.5	44.6	2.3	-57.6	14.7	10.7	7.1	5.4	5.6
MAR.	11.2	4.3	2.4	9.8	23.3	-1.7	-35.0	14.2	21.1	5.3	18.0	8.3
APR.	15.9	15.1	7.3	14.0	22.1	8.0	-27.9	14.1	13.8	5.3	12.4	22.0
MAY	9.4	5.3	0.0	10.2	18.3	3.4	-55.4	13.3	13.7	7.0	10.5	37.8
JUNE	4.7	-3.2	14.3	9.5	0.0	16.9	42.2	11.7	20.3	7.0	15.6	36.7
JULY	7.7	6.4	10.6	15.5	11.4	18.9	-17.0	14.5	10.0	5.2	34.3	20.3
AUG.	7.7	5.3	-3.3	12.0	21.9	3.8	-89.7	18.8	19.8	10.3	-10.0	5.0
SEPT.	7.6	-3.2	9.7	16.9	22.8	12.0	-37.3	18.8	19.5	8.5	-30.3	2.5
OCT.	10.6	14.8	14.0	17.3	30.0	7.0	-7.7	17.1	19.1	5.1	-10.3	9.9
NOV.	7.5	-2.6	15.6	17.9	26.2	10.2	1.9	13.4	15.7	6.8	-3.5	19.7
DEC. P	6.0	8.9	18.1	15.3	28.0	4.3	32.9	13.0	12.4	5.0	-7.0	24.2

^{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.

JAN. 14, 1977

APPENDIX TABLE 2-8

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits				Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short-Term U.S. Gov't Sec ^{1/}	Com-mercial Paper ^{1/}	Non-Deposit Funds	Total Gov't Demand Deposits ^{2/}	
			Total	Other Than CD's										CD's
				Total	Savings	Other								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
ANNUALLY:														
1974	67.8	215.3	419.1	329.3	136.2	193.1	89.8	341.6	27.7	63.3	47.1	40.4	8.4	5.6
1975	73.7	221.0	452.4	369.6	160.5	209.0	82.9	395.5	33.3	67.3	65.7	42.7	8.4	7.6
1976	80.7	231.2	491.5	427.6	201.4	226.2	63.8	457.9	39.1	71.8	68.4	50.5	9.2	10.1
MONTHLY:														
1975—DEC.	73.7	221.0	452.4	369.6	160.5	209.0	82.9	395.5	33.3	67.3	65.7	42.7	8.4	7.6
1976—JAN.	74.2	220.9	454.1	374.9	164.1	210.8	79.2	399.9	33.8	67.6	66.5	43.1	7.9	8.0
FEB.	75.0	221.6	456.7	381.3	170.2	211.2	75.4	404.8	34.1	68.0	66.8	43.3	8.0	10.9
MAR.	75.7	222.4	457.6	384.4	173.5	210.9	73.2	409.6	34.7	68.3	67.8	43.6	8.2	10.9
APR.	76.7	225.2	460.4	388.9	176.7	212.3	71.5	414.4	35.1	68.6	68.5	44.4	7.5	7.2
MAY	77.3	226.2	460.4	392.2	179.4	212.9	68.2	419.0	35.5	69.0	69.1	45.8	7.6	7.4
JUNE	77.6	225.6	465.9	395.3	179.4	215.9	70.6	423.1	36.1	69.4	70.0	47.2	8.4	9.8
JULY	78.1	226.8	470.0	400.4	181.1	219.3	69.6	428.2	36.4	69.7	72.0	48.0	8.8	9.0
AUG.	78.6	227.8	468.7	404.4	184.4	220.0	64.4	434.9	37.0	70.3	71.4	48.2	8.9	13.8
SEPT.	79.1	227.2	472.5	410.1	187.9	222.2	62.4	441.7	37.6	70.8	69.6	48.3	8.2	13.1
OCT.	79.8	230.0	478.0	416.0	192.6	223.5	62.0	448.0	38.2	71.1	69.0	48.7	9.0	13.9
NOV.	80.3	229.5	484.2	422.2	198.8	225.4	62.1	453.0	38.7	71.5	68.8	49.5	9.1	13.5
DEC. P	80.7	231.2	491.5	427.6	201.4	226.2	63.8	457.9	39.1	71.8	68.4	50.5	9.2	10.1
WEEKLY:														
1976—NOV. 10	80.3	230.2	482.1	420.6	196.0	224.6	61.5						8.7	15.4
17	80.2	230.7	483.7	421.6	196.7	225.0	62.0						8.6	14.2
24	80.3	227.3	485.8	423.4	197.6	225.8	62.4						9.4	12.2
DEC. 1	80.3	229.9	487.6	424.9	198.3	226.6	62.8						9.4	11.8
8	80.6	230.7	489.5	426.4	199.9	226.4	63.1						8.9	8.9
15	80.8	230.4	491.3	427.9	201.0	226.9	63.4						8.9	8.7
22	80.7	231.5	492.0	428.2	202.1	226.1	63.7						9.9	11.2
29P	80.8	231.5	492.8	427.9	202.2	225.7	64.9						9.0	10.7
1977—JAN. 5P	80.9	233.3	495.3	430.1	202.9	227.2	65.3						8.9	10.2

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

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

P - PRELIMINARY