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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

August 12, 1977

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M-1 surged to an 18.3 per cent annual rate of expansion in July, with only a minor part of this increase apparently attributable to special factors such as early disbursements of social security checks and the New York blackout. More recently, growth in M-1 has slowed considerably, but for the July-August period is still estimated at an 11.7 per cent annual rate, roughly 4 percentage points above the upper end of the Committee's range. Mainly reflecting the strength of M-1, growth in M-2 over July and August is now estimated at an 11.7 per cent annual rate, about 1 percentage point above the upper end of its range. Savings account balances increased at a moderate rate in July after having declined somewhat in June, while growth in the time deposit component of M-2 was maintained in July at the strong June pace. Deposit flows into thrift institutions have also been quite strong in recent weeks. Reflecting the rapid growth in demand and time deposits, nonborrowed reserves are expected to expand at about a 9.2 per cent annual rate over July and August.

Growth in Monetary Aggregates
Over July-August period
(SAAR in per cent)

	<u>Ranges</u>	<u>Latest Estimates</u>
M-1	3½ to 7½	11.7
M-2	6½ to 10½	11.7

Memorandum:

Federal funds rate
(per cent per annum)

	<u>Avg. for statement</u> <u>week ending</u>
July 20	5.35
27	5.45
Aug. 3	5.80
10	5.70

(2) In the last week of July, as incoming data provided confirmation of the unexpectedly strong expansion in the monetary aggregates, the Account Management began raising its Federal funds rate objective from the prevailing level of around 5-3/8 per cent. By the end of the August 3 statement week, the Desk was aiming at a Federal funds rate of 5½ per cent, the upper limit of the intermeeting range specified in the Committee's directive. On August 4, Chairman Burns recommended raising the upper limit of the range for the funds rate to 6 per cent, in order to provide the Desk with some additional leeway for operations, while continuing to take into account the current Treasury financing and financial market developments. He further recommended that the additional leeway be used very gradually, and only in the event that the aggregates continued to register values far beyond the Committee's objectives. This recommendation was approved by the Committee. The Account Management continued to aim for a funds rate of around 5½ per cent until late in the August 10 statement week, but more recently raised the funds rate objective to 6 per cent, since incoming data continued to indicate strong growth of the aggregates.

(3) Commercial bank credit expanded at an annual rate of about 9½ per cent in July. With deposit expansion rapid during the month, banks were able to finance loans and investments while letting outstanding negotiable CD's and nondeposit sources of funds contract. Total loans of banks increased substantially, paced by strong gains in real estate and consumer installment loans. Business loans also posted a further advance during the month, but the

increase was significantly below the average monthly gain of the second quarter.

(4) Aggregate credit demands have remained relatively strong in recent weeks. Households have apparently continued to raise a substantial volume of funds in the mortgage and consumer credit markets, and the U.S. Treasury has once again been raising sizable amounts of new money, following its second-quarter paydown of debt. Partly offsetting these areas of strength, issuance of long-term bonds by State and local governments has declined more than seasonally from the record June pace. In addition, total business credit demands have moderated, as the slowing in growth of business loans at banks in July was accompanied by a sizable reduction in the commercial paper indebtedness of nonfinancial corporations. Also, while issuance of publicly-offered corporate bonds picked up a bit in July, the volume coming to market in August has declined seasonally.

(5) In response to the tightening of the Federal fund rate and the strengthening in the monetary aggregates, short-term interest rates have increased since the July FOMC meeting by around 15 to 45 basis points. Increases in yields on long-term bonds have been decidedly more moderate, with rates on Treasury bonds increasing by around 10 basis points, while yields on corporate and municipal securities have changed little.

(6) Since the July meeting, the U.S. Treasury has raised about \$1 billion in domestic credit markets through a sale of 2-year notes and another \$3 billion in conjunction with its mid-August

refunding.^{1/} In the refunding the Treasury auctioned \$3.0 billion of a 3-year note at an average yield of 6.84 per cent, \$2.25 billion of a 7-year note at an average yield of 7.26 per cent, and \$1.0 billion of a reopened 29½-year bond at an average yield of 7.72 per cent. Dealers have distributed essentially all of the \$2.7 billion of issues they were awarded in the auctions, however, and now have deep net short positions in coupon issues with less than 10 years to mature and very modest long positions in issues with over 10 years maturities.

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

^{1/} In addition, the Treasury obtained \$1½ billion of new cash through add-on sales of these issues to foreigners.

	1975 & 1976 Average	Past Twelve Months July '77 over July '76	Past Six Months July '77 over Jan. '77	Past Three Months July '77 over Apr. '77	Past Month July '77 over June '77
Nonborrowed reserves	1.4	4.0	1.9	5.0	15.4
Total reserves	0.4	4.5	3.4	7.9	17.3
Monetary Base	6.6	7.7	7.4	9.0	14.3
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	5.2	7.1	8.3	7.9	18.3
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	10.4	11.1	10.0	9.9	16.8
M ₃ (M ₂ plus deposits at thrift institutions)	13.0	12.7	10.9	11.1	16.0
M ₄ (M ₂ plus CD's)	7.3	9.3	9.2	9.8	13.8
M ₅ (M ₃ plus CD's)	10.7	11.5	10.3	11.0	14.3
<u>Bank Credit</u>					
Loans and investments of all commercial banks <u>2/</u>					
Month-end basis	6.7	10.6	11.5	9.6	9.3
Average of Wednesdays	6.2	10.5	9.8	8.7	7.8
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-1.1	-0.5	-0.6	0.3	-1.1
Nonbank commercial paper	0.0	0.2	0.4	0.2	-0.2

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

2/ Includes loans sold to affiliates and branches.

NOTE: All items are based on averages of daily figures, except for data on total loans and investments of commercial banks, commercial paper, and thrift institutions--which are derived from either end-of-month or 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

(8) Shown below for Committee consideration are alternative specifications for the monetary aggregates and the Federal funds rate covering the period between now and the next Committee meeting. (More detailed data on the aggregates for a longer time span are shown in the tables on pp. 7 and 8).

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for Aug.-Sept.			
M-1	2½-6½	2-6	1½-5½
M-2	5-9	4½-8½	4-8
Federal funds rate (intermeeting period)	5¼-5¾	5¾-6¼	6¼-6¾

(9) A marked slowing in growth of M-1 is anticipated for the August-September period, as the extremely rapid expansion in M-1 in July probably provided the public with enough cash to accommodate the bulk of third-quarter transactions needs. Under alternative B, M-1 is expected to expand in a 2-6 per cent, annual rate, range. Such an expansion would produce an 8¾ per cent annual rate of growth from the second to the third quarter, as compared with a 12 per cent annual rate of growth in nominal GNP projected for that period.

(10) Growth in M-2 over the August-September period under alternative B is expected to be in a 4½-8½ per cent annual rate range. The time and savings deposit component of M-2 is likely to expand at about an 8½ per cent annual rate over the period, well below the June-July average. The higher level of interest rates on short- and

Alternative Levels and Growth Rates for Key Monetary Aggregates

		<u>M₁</u>			<u>M₂</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	July	326.8	326.8	326.8	783.6	783.6	783.6
	August	328.2	328.2	328.2	787.9	787.9	787.9
	September	329.3	329.1	328.8	792.5	792.0	791.6
1977	QII	321.0	321.0	321.0	768.3	768.3	768.3
	QIII	328.1	328.0	327.9	788.0	787.8	787.7
	QIV	332.3	331.3	330.8	804.3	802.5	801.2
1978	QI	335.3	334.1	333.7	818.0	816.4	815.6
	QII	337.8	337.8	337.8	830.2	830.4	830.6
<u>Growth Rates</u>							
<u>Monthly:</u>							
1977	August	5.1	5.1	5.1	6.6	6.6	6.6
	September	4.0	3.3	2.2	7.0	6.2	5.6
<u>Quarterly Average:</u>							
1977	QIII	8.8	8.7	8.6	10.3	10.2	10.1
	QIV	5.1	4.0	3.5	8.3	7.5	6.9
1978	QI	3.6	3.4	3.5	6.8	6.9	7.2
	QII	3.0	4.4	4.9	6.0	6.9	7.4
<u>Semi-Annual:</u>							
QII '77-QIV '77		7.0	6.4	6.1	9.4	8.9	8.6
QIV '77-QII '78		3.3	3.9	4.2	6.4	7.0	7.3
<u>Annual:</u>							
QII '77-QII '78		5.2	5.2	5.2	8.1	8.1	8.1
<u>FOMC Range:</u>							
			4-6½				7-9½

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

		<u>M₃</u>			<u>Bank Credit</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	July	1316.7	1316.7	1316.7	832.2	832.2	832.2
	August	1327.9	1327.9	1327.9	838.5	838.5	838.5
	September	1338.0	1337.5	1336.9	844.8	844.2	843.7
1977	QII	1289.9	1289.9	1289.9	820.5	820.5	820.5
	QIII	1327.5	1327.4	1327.2	838.5	838.3	838.1
	QIV	1359.2	1356.6	1354.6	857.0	856.4	855.6
1978	QI	1384.5	1381.4	1380.0	875.2	874.4	873.8
	QII	1407.0	1406.0	1405.9	892.3	891.9	891.7
<u>Growth Rates</u>							
<u>Monthly:</u>							
1977	August	10.2	10.2	10.2	9.1	9.1	9.1
	September	9.1	8.7	8.1	9.0	8.2	7.4
<u>Quarterly Average:</u>							
1977	QIII	11.7	11.6	11.6	8.7	8.7	8.6
	QIV	9.6	8.8	8.3	8.8	8.6	8.4
1978	QI	7.4	7.3	7.5	8.5	8.4	8.5
	QII	6.5	7.1	7.5	7.8	8.0	8.2
<u>Semi-annual:</u>							
	QII '77-QIV '77	10.7	10.3	10.0	8.9	8.8	8.6
	QIV '77-QII '78	7.0	7.3	7.6	8.2	8.3	8.4
<u>Annual:</u>							
	QII '77-QII '78	9.1	9.0	9.0	8.8	8.7	8.7
<u>FOMC Range:</u>		8½-11			7-10		

intermediate-term market instruments that has recently emerged is expected to divert funds away from savings and shorter-maturity time deposits.

(11) As of this writing, credit markets probably have not fully adjusted to a 6 per cent Federal funds rate, the current Desk objective. Thus, some further rise in interest rates, particularly short rates, could develop over the next week or so. Assuming the funds rate remains around 6 per cent over the whole intermeeting period, and with the Treasury bill supply expected to be relatively limited over the near-term, the 3-month bill rate may be in the neighborhood of 5-5/8 per cent. The Treasury is not expected to raise new cash through bill offerings until the fourth quarter.

(12) Longer-term markets are in a strong technical position. Dealers have a net short position in Treasury coupon issues maturing in more than a year of around \$1 billion. And a reduced volume of corporate and municipal bonds is expected to be marketed over the balance of the current quarter, though the volume of municipal securities will probably still be substantial. Thus, relatively little upward adjustment in long-term rates may be expected over the next few weeks, assuming a 6 per cent Federal funds rate.

(13) The staff expects that the Federal funds rate would have to rise above 6 per cent over the next few months, however, if growth in M-1 were to be held to the mid-point of the 4 to 6½ per cent longer-run range (pertaining to the QII '77-QII '78 period) adopted by the Committee

at its July meeting. A substantial cut-back in M-1 growth to about a 4 per cent annual rate over the next three quarters would be required. The necessary curtailment in the supply of reserves would probably lead to a Federal funds rate of around 6-7/8 per cent by early next year. This is a higher rate than estimated at the time of the last meeting, and takes account of the apparent strengthening of money demand relative to GNP that has developed in the spring and early summer.

(14) As market interest rates rise, inflows of time and savings deposits, other than large CD's, would probably slow down, assuming no adjustment in Regulation Q ceiling rates. With bank credit demands expected to remain generally strong through mid-1978--given the staff's GNP forecast--banks are likely to bid actively for CD's and nondeposit funds. Thrift institutions, too, would probably begin to rely more heavily on borrowed funds, or sales of liquid assets, to meet commitments. These financial adjustments, as they develop, may entail a 3-month bill rate in the 7 per cent area in the first half of 1978, a commercial paper rate in the order of 7½ per cent, and minor upward adjustments in long-term rates, including a rise in the high-grade corporate bond rate to around 8½ per cent and primary mortgage market rates to a little over 9 per cent.

(15) Alternative C involves a rise in the Federal funds rate to the mid-point of a 6½-6¾ per cent range between now and the next Committee meeting. Such an approach would add to restraint on money growth in the weeks ahead--with M-1 expected to expand in a

1½-5½ per cent annual rate range over the August-September period. And only a very minor further rise in the funds rate might be required in achieving the Committee's current longer-run ranges for the monetary aggregates.

(16) The further rise in the funds rate of ½ percentage point over the next few weeks contemplated under alternative C would likely lead to increases of comparable magnitude in short-term rates generally. Upward rate pressures would probably also be communicated to the intermediate-term market, where the Treasury is expected to raise \$2-\$3 billion of new cash through routine offerings of 2- and 4-year notes during the next few weeks, though they may be moderate in view of the market's strong technical position. Longer-term rates, too, might increase somewhat, but any such increases might not be long sustained if the market came to believe that the process of tightening was near an end or that the process would work to restrain inflation.

(17) The easing in the money market envisioned under alternative A may stimulate rather substantial downward adjustments over the short-run in intermediate- and longer-term interest rates, particularly in the Treasury securities market where dealers may be expected to make efforts to cover short positions. The staff would not expect that downward rate movements could be sustained, however. Given the projected strength in nominal GNP and money demand between now and mid-1978, interest rates would probably once again begin rising by early fall--with the funds rate under this alternative peaking at around 7½ per cent in the second quarter of 1978.

Directive language

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

"Monetary Aggregates" Formulation

The Committee seeks to encourage near-term rates of growth in M-1 and M-2 on a path believed to be reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, at present, it expects the annual growth rates over the ~~July-August~~ AUGUST-SEPTEMBER period to be within the ranges of ~~3-1/2-to-7-1/2~~ _____ to _____ per cent for M-1 and ~~6-1/2-to-10-1/2~~ _____ to _____ per cent for M-2. In the judgment of the Committee such growth rates are likely to be associated with a weekly-average Federal funds rate of about ~~5-3/8~~ _____ per cent. If, giving approximately equal weight to M-1 and M-2,

it appears that growth rates over the 2-month period will deviate significantly from the midpoints of the indicated ranges, the operational objective for the Federal funds rate shall be modified in an orderly fashion within a range of $5\frac{1}{4}\%$ to _____ per cent.

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

"Money Market" Formulation

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

the limits of the indicated ranges, the operational objective for the weekly-average Federal funds rate shall be modified in an orderly fashion within a range of _____ to _____ per cent.

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

Appendix I

Projected Federal Funds Rate

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	QIII	5-5/8	5-7/8	6-1/8
	QIV	6-1/8	6½	6¾
1978	QI	6-7/8	6-7/8	6¾
	QII	7½	6-7/8	6¾

Appendix II

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

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Nonborrowed Reserves	3.3	1.8	1.1
Total Reserves	6.3	5.9	5.7
Monetary Base	8.3	8.2	8.1

On average thus far in the third quarter, nonborrowed reserves have expanded at a 6.4 per cent annual rate, total reserves at a 10.2 per cent rate, and the monetary base at a 9.6 per cent rate. These rates are well above the growth rates for the second half of 1977 shown in the table above that are thought to be consistent with the alternatives presented to the Committee. Thus, a considerable slowing in growth of reserves will be needed over the months ahead.

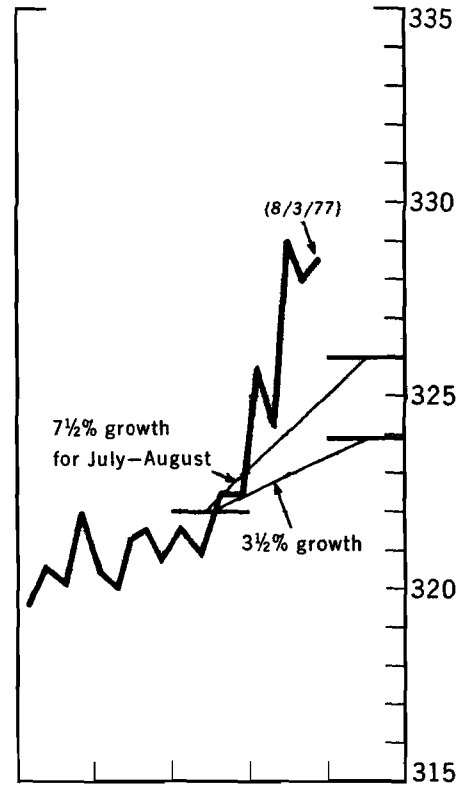
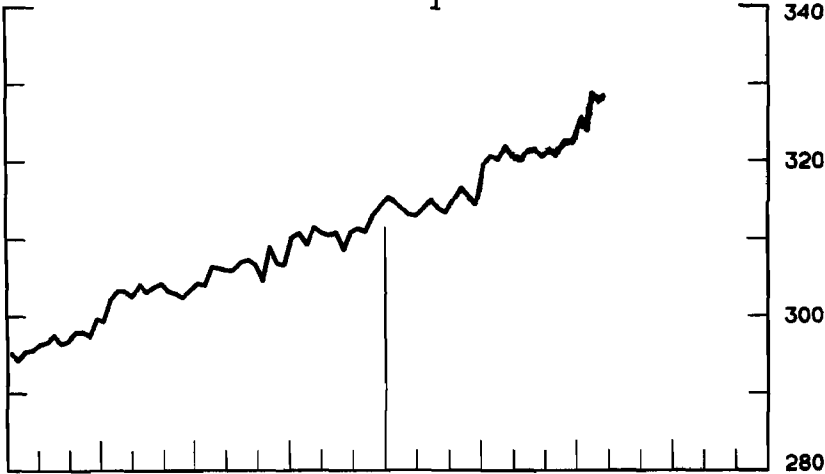
Appendix III

Implied Velocity Growth Rates

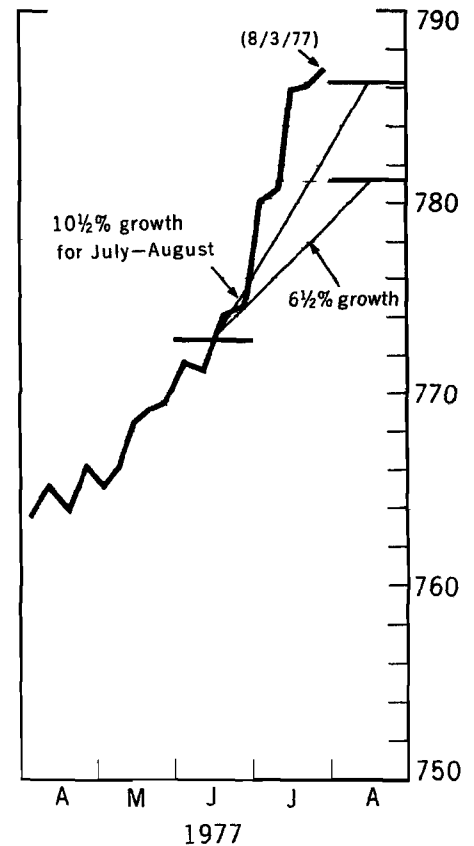
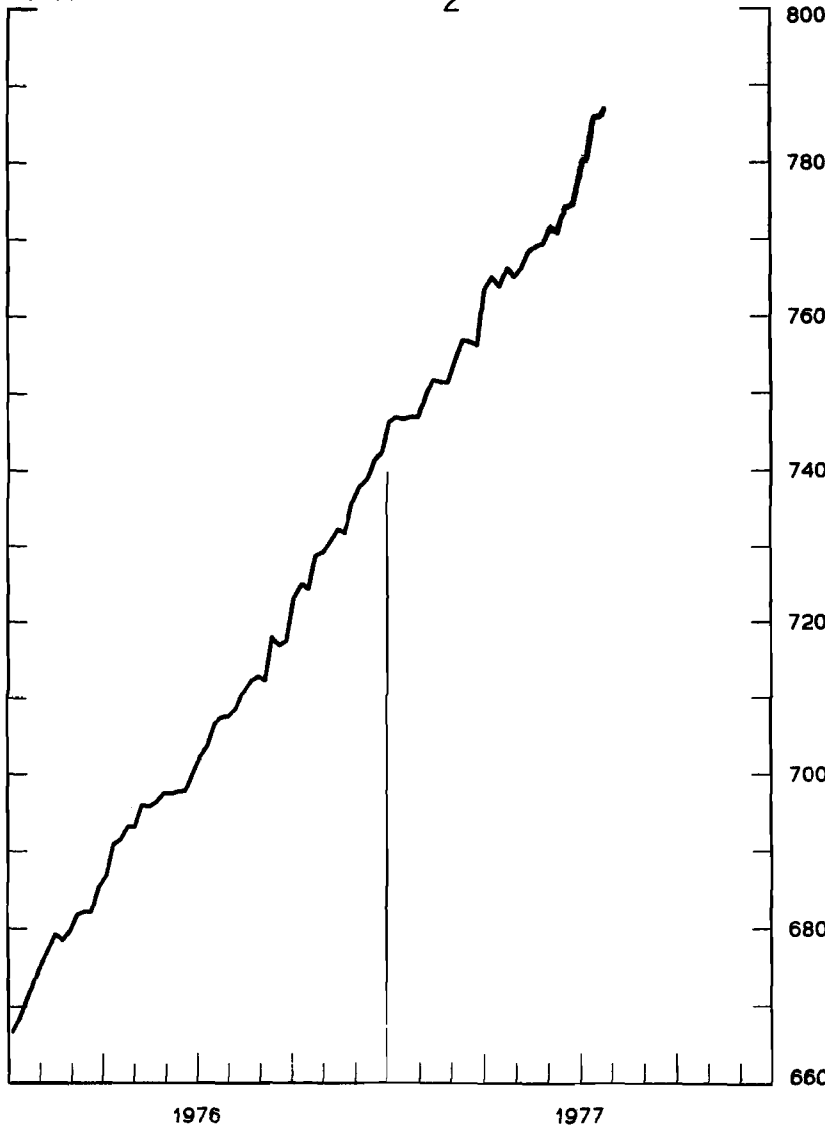
<u>V₁ (GNP/M₁)</u>		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	III	3.0	3.0	3.0
	IV	3.0	3.1	3.3
1978	I	2.4	3.7	4.0
	II	7.3	5.8	5.4
<u>V₂ (GNP/M₂)</u>				
1977	III	1.2	1.2	1.3
	IV	3.4	4.4	4.9
1978	I	4.4	4.2	4.0
	II	4.3	3.4	2.9

MONETARY AGGREGATES

NARROW MONEY SUPPLY M₁ BILLIONS OF DOLLARS

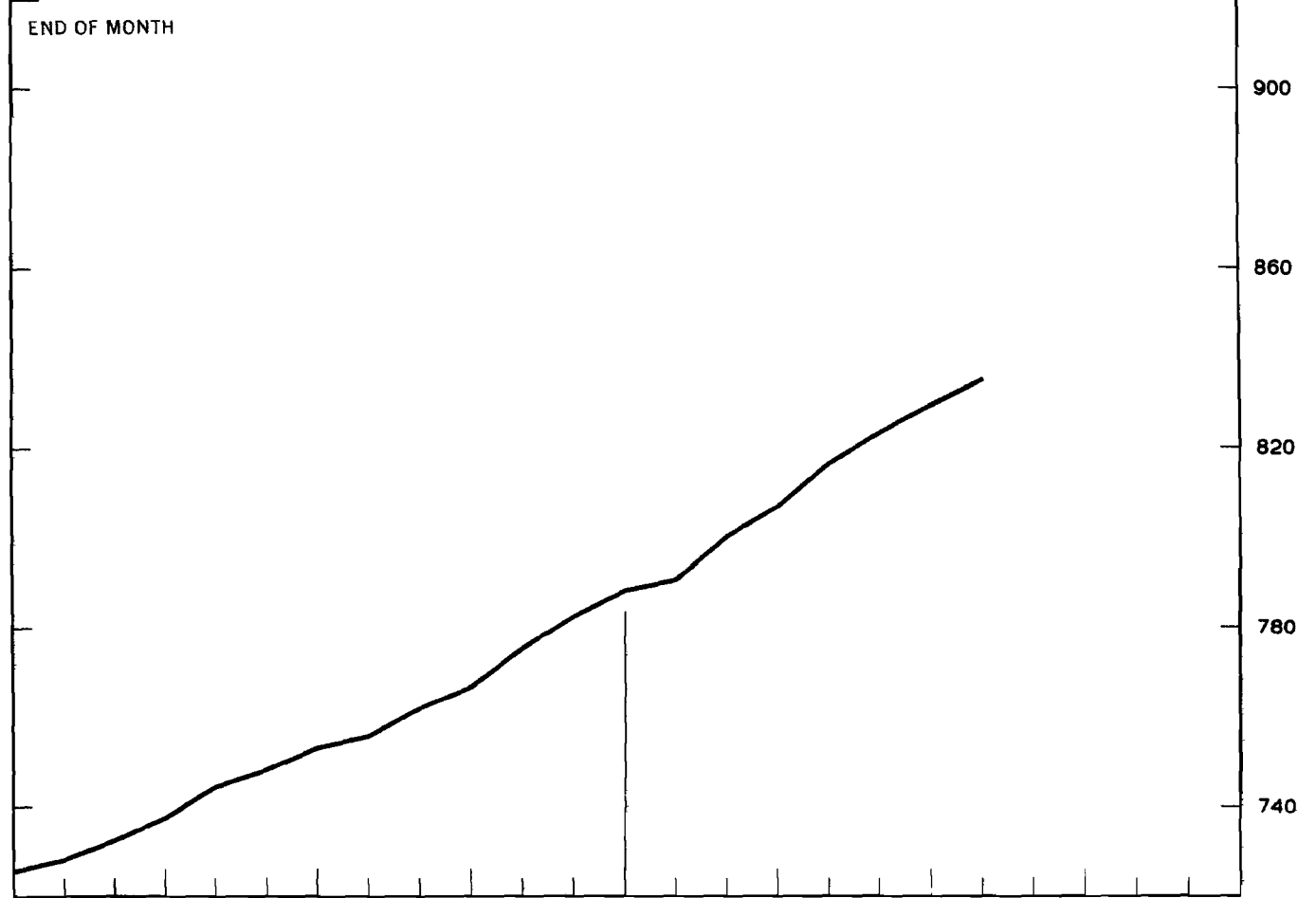


BROADER MONEY SUPPLY M₂

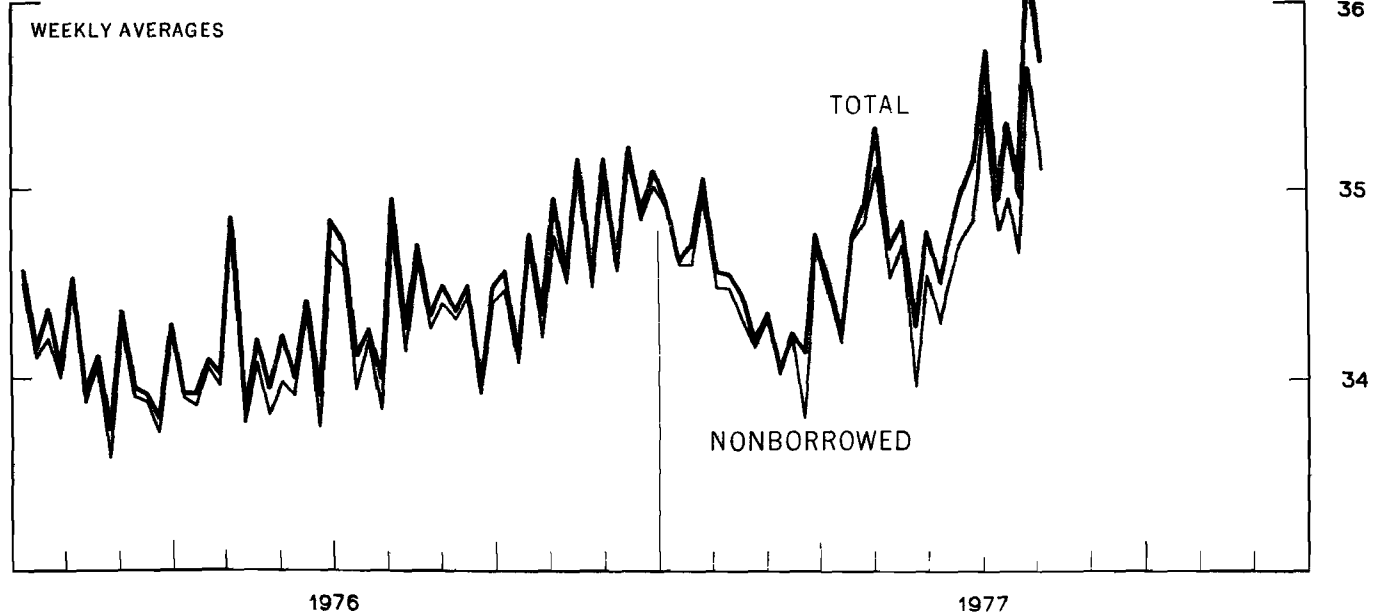


MONETARY AGGREGATES

BANK CREDIT



RESERVES



MONEY MARKET CONDITIONS AND INTEREST RATES

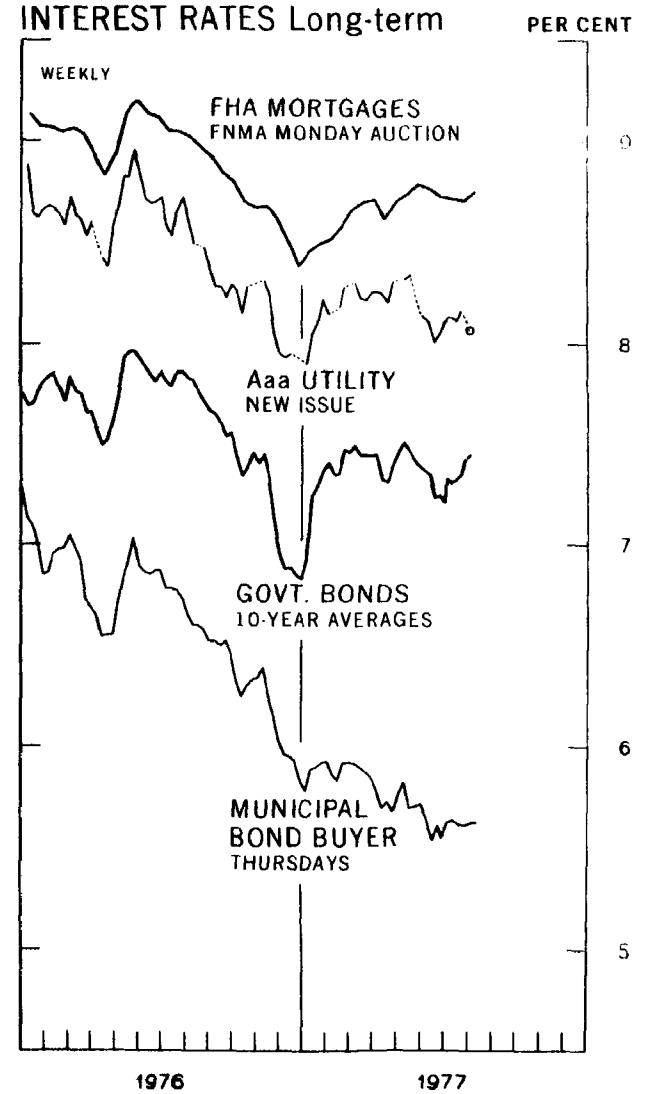
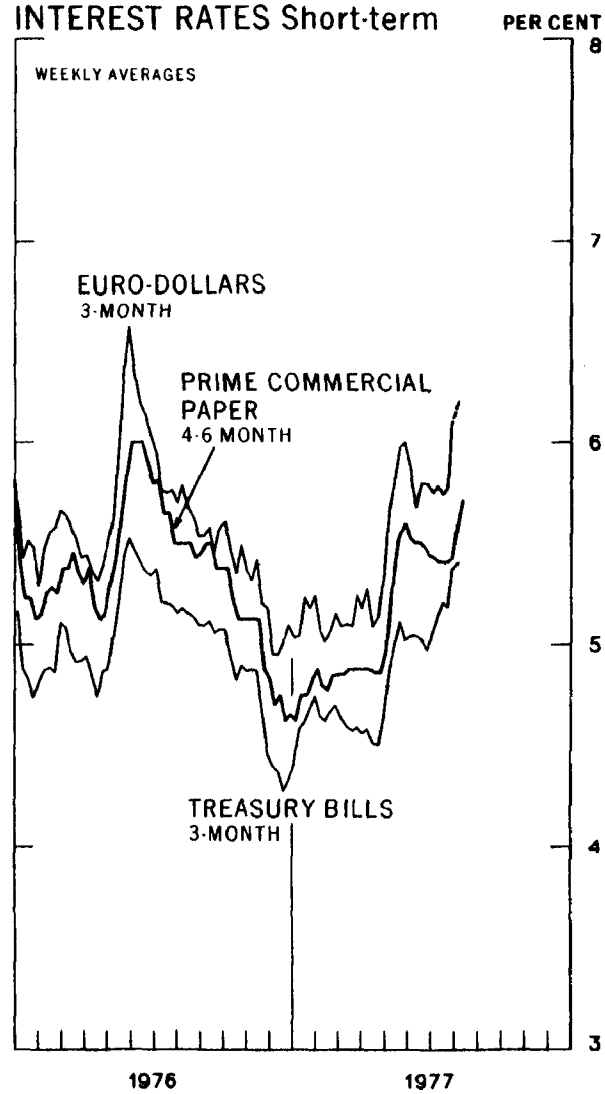
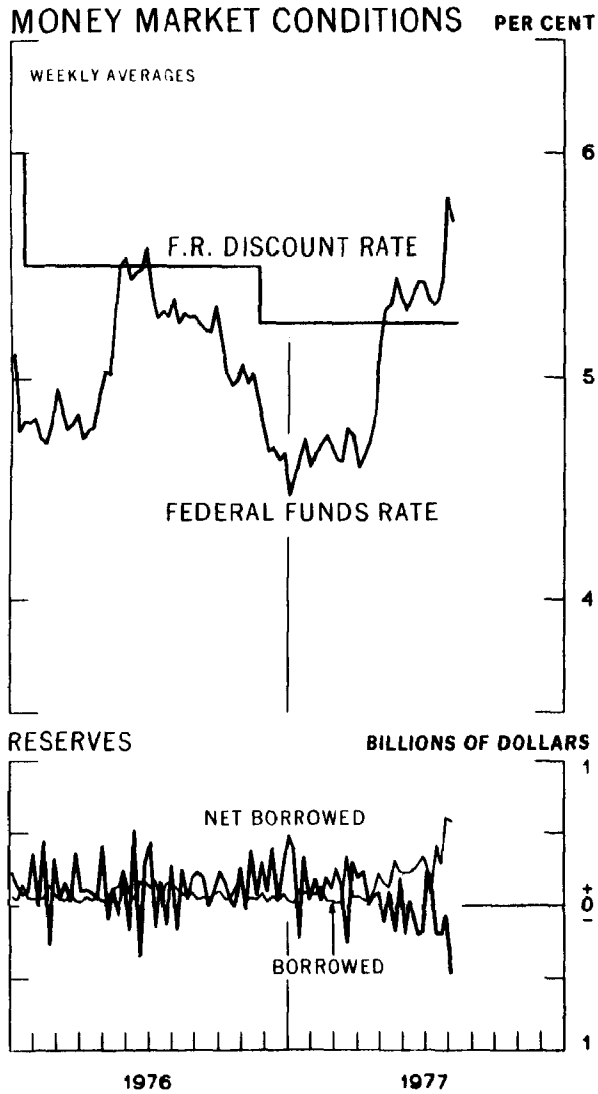


Table 1
MONETARY AGGREGATES

CONFIDENTIAL (FR)
CLASS II-FOMC

AUG. 12, 1977

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	Money Supply		Total U.S. Govt. Deposits 1/	Time & Savings Deposits					Nondeposit Sources of Funds 2/	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
MONTHLY LEVELS--\$BIL										
1977--MAY	320.7	767.6	10.6	509.2	440.9	212.7	234.2	62.5	56.2	2.1
JUNE	321.9	772.8	10.1	514.8	450.9	212.3	236.6	63.4	55.9	3.7
JULY	326.6	783.6	11.6	519.5	456.7	213.6	242.9	62.8	55.9	2.8
AUG.	(328.2)	(787.9)	(10.7)	(523.3)	(459.7)	(216.1)	(243.5)	(63.6)		(3.6)
% ANNUAL GROWTH										
QUARTERLY										
1976--4TH QTR.	7.2	13.4	-26.7	15.7	16.1	27.5	10.0	1.5		
1977--1ST QTR.	3.8	8.5	0.0	9.5	11.9	15.4	8.7	-7.0		
2ND QTR.	8.2	8.8	-39.3	9.5	9.4	4.0	14.2	10.9		
QUARTERLY--AV										
1976--4TH QTR.	6.5	12.5	31.0	12.2	17.1	24.7	10.8	-10.9		
1977--1ST QTR.	4.2	9.9	-48.0	12.5	14.0	21.9	7.1	1.9		
2ND QTR.	8.4	9.2	-18.2	6.3	9.6	7.9	11.6	-1.9		
MONTHLY										
1977--MAY	0.7	4.7	-22.2	8.3	7.6	4.5	10.3	13.6		
JUNE	4.5	6.1	-56.6	13.2	10.7	-2.3	22.5	50.8		
JULY	18.3	16.8	202.0	11.0	15.4	6.5	21.6	-20.7		
AUG.	(5.1)	(6.6)	(-111.9)	(8.6)	(7.9)	(12.9)	(3.0)	(15.3)		
JULY-AUG.	(11.7)	(11.7)	(35.6)	(9.9)	(11.7)	(10.7)	(12.3)	(-2.6)		
WEEKLY LEVELS--\$BIL										
1977--JULY 6	325.7	780.1	10.8	518.4	454.4	212.4	242.0	64.0	53.0	1.6
13	324.3	780.7	10.7	519.2	456.4	213.2	243.2	62.8	54.4	2.6
20	329.0	785.9	11.8	519.3	456.9	213.6	243.1	62.4	59.2	3.6
27	327.9	786.1	12.8	520.5	458.2	214.5	243.7	62.3	56.0	3.5
AUG. 3	326.6	787.1	12.6	521.3	458.5	215.2	243.2	62.6	54.0	2.8

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. P - PRELIMINARY

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

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

TABLE 2
BANK RESERVES
ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

AUG. 12, 1977

Period	BANK RESERVES			REQUIRED RESERVES			
	Total Reserves	Nonborrowed Reserves	Monetary Base	Total Required	Private Demand	Total Time Deposits	Gov't. and Interbank
	1	2	3	4	5	6	7
MONTHLY LEVELS--\$MILLIONS							
1977--MAY	34,723	34,517	121,376	34,515	20,706	12,116	1,692
JUNE	34,862	34,599	122,027	34,714	20,601	12,306	1,808
JULY	35,364	35,042	123,477	35,072	20,998	12,386	1,688
AUG.	(35,640)	(35,129)	(124,303)	(35,442)	(21,188)	(12,390)	(1,863)
PERCENT ANNUAL GROWTH							
QUARTERLY							
1976--4TH QTR.	7.6	7.7	8.0	6.8	1.6	8.0	
1977--1ST QTR.	-1.8	-2.4	5.1	-1.1	3.7	6.9	
2ND QTR.	6.5	4.6	8.2	7.3	3.9	6.0	
QUARTERLY-AV							
1976--4TH QTR.	4.4	4.8	7.1	4.0	3.2	-0.7	
1977--1ST QTR.	2.7	2.6	6.8	3.0	5.0	9.5	
2ND QTR.	3.0	1.9	7.2	3.5	3.0	4.0	
MONTHLY							
1977--MAY	1.5	-3.1	6.2	0.9	5.7	-4.5	
JUNE	4.8	2.9	6.4	6.9	-6.1	18.8	
JULY	17.3	15.4	14.3	12.4	23.1	7.8	
AUG.	(9.4)	(3.0)	(8.0)	(12.7)	(10.9)	(6.4)	
JULY-AUG.	(13.4)	(9.2)	(11.2)	(12.6)	(17.1)	(4.1)	
WEEKLY LEVELS--\$MILLIONS							
1977--JULY							
6	35,743	35,478	123,526	35,249	20,922	12,386	1,941
13	34,937	34,777	122,816	34,673	20,781	12,416	1,476
20	35,362	34,956	123,424	35,150	21,128	12,397	1,626
27	34,960	34,665	123,424	34,863	20,893	12,372	1,597
AUG.							
3	36,256	35,658	124,743	35,735	21,450	12,337	1,949
10	35,681	35,097	123,836	35,550	21,158	12,365	2,027

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

TABLE 3
NET CHANGES IN SYSTEM HOLDINGS OF SECURITIES
(\$ million, not seasonally adjusted)

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
AUGUST 12, 1977

Period	Treasury Bills Net Change 2/	Treasury Coupons Net Purchases 3/					Federal Agencies Net Purchases 4/					Net Change Outright Holdings Total 5/	Net RP's 6/
		Within 1 year	1 - 5	5 - 10	Over 10	Total	Within 1 year	1 - 5	5 - 10	Over 10	Total		
1972	-490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	-46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	-154
1975	-468	337	3,284	1,510	1,070	6,202	191	824	460	138	1,613	7,267	1,272
1976	863	472	3,025	1,048	642	5,187	105	469	203	114	891	6,227	3,607
1976--Qtr. II	2,067	109	796	245	134	1,284	3	140	57	40	240	3,371	1,654
Qtr. III	45	171	881	345	160	1,557	--	--	--	--	--	1,398	392
Qtr. IV	-886	77	794	232	192	1,294	--	41	37	36	115	436	304
1977--Qtr. I	1,164	192	997	325	165	1,680	--	--	--	--	--	2,738	-4,771
Qtr. II	2,126	109	526	171	152	959	--	406	251	68	726	3,666	4,175
1977--Feb.	-691	107	348	151	81	687	--	--	--	--	--	-45	1,931
Mar.	-368	41	174	46	37	298	--	--	--	--	--	-125	175
Apr.	1,392	20	327	104	38	489	--	173	138	35	346	2,176	2,822
May	-208	--	--	--	--	--	--	--	--	--	--	-254	-3,207
June	942	89	200	68	114	470	--	233	113	33	380	1,744	4,561
July	-1,136	--	--	--	--	--	--	--	--	--	--	-1,159	-2,861
1977--June 1	-702	--	--	--	--	--	--	--	--	--	--	-704	47
8	-1,442	--	--	--	--	--	--	--	--	--	--	-1,445	-6,501
15	-33	--	--	--	--	--	--	--	--	--	--	-58	3,444
22	1,023	89	200	68	114	470	--	233	113	33	380	1,870	7,833
29	1,506	--	--	--	--	--	--	--	--	--	--	1,503	1,056
July 6	-145	--	--	--	--	--	--	--	--	--	--	-159	-5,780
13	-581	--	--	--	--	--	--	--	--	--	--	-590	585
20	-328	--	--	--	--	--	--	--	--	--	--	-335	2,706
27	-82	--	--	--	--	--	--	--	--	--	--	-88	-144
Aug. 3	--	--	--	--	--	--	--	--	--	--	--	-14	-2,009
10	-176	--	--	--	--	--	--	--	--	--	--	-184	-4,604
17													
24													
31													
LEVEL--Aug. 10 (in billions)	40.5	10.2	29.5	11.2	6.5	57.3	1.4	3.6	1.5	.8	7.4	105.3	-5.8

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. Excluding redemptions, maturity shifts, rollovers of maturing coupon issues, and direct Treasury borrowing from the System.

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

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

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

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

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
August 12, 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)	Excess** Reserves (5)	Borrowing at FRB**		Basic Reserve Deficit**	
						Total (6)	Seasonal (7)	8 New York	38 Others
1976--High	8,896	3,046	334	343	655	242	34	-8,161	-12,744
Low	3,668	175	0	34	-180	24	8	-2,367	- 6,908
1977--High	7,234	3,017	278	350	541p	598p	74p	-8,742	-13,975
Low	1,729	*-1,265	0	122p	-111	20	8	-4,234	-8,570
1976--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	274	53	13	-7,168	-11,449
1977--Jan.	6,406	2,320	82	202	265	68	10	-6,421	-11,504
Feb.	4,450	1,605	72	226	198	72	12	-5,604	-11,503
Mar.	4,906	972	103	162	214	103	13	-5,661	-10,912
Apr.	4,567	696	101	173	192	73	14	-6,586	-11,409
May	3,072	123	20	228	213	206	30	-5,693	-10,175
June	4,752	206	142	217	154	262	54	-5,341	-10,332
July	*3,916	*-278	143	209	292	323p	60p	-6,366p	-10,926p
1977--June 1	4,172	681	23	166	409	230	44	-4,392	- 9,433
8	5,579	281	33	213	33	226	50	-6,163	-12,044
15	5,711	164	148	203	246	223	47	-5,414	-12,543
22	4,345	-300	230	244	104	271	51	-5,612	-11,209
29	3,477	435	278	259	150	334	68	-4,234	- 8,570
July 6	4,617	800	192	230	494	265	58	-5,889	- 8,839
13	4,437	80	165	191	264	160	52	-7,632	-12,534
20	*3,927	*-640	148	145	212	406	56	-6,075	-12,608
27	*3,777	*-634	67	269	97p	295	69p	-5,735	-10,453
Aug. 3	*2,176	*-1,265	76	229	521p	598p	69p	-6,478p	- 9,128p
10	*1,910	*- 494	50p	206p	119p	584p	74p	-7,448p	-12,133p
17									
24									
31									

NOTE: Government security dealer trading positions are on a commitment basis. Trading positions, which exclude Treasury securities financed by repurchase agreements maturing in 16 days or more, are indicators of dealer holdings available for sale over the near-term. Underwriting syndicate positions consist of issues still in syndicate, excluding trading positions. The basic reserve deficit is excess reserves less borrowing at Federal Reserve less net Federal funds purchases. Weekly data are daily averages for statement weeks, except for corporate and municipal issues in syndicate which are Friday figures.

* STRICTLY CONFIDENTIAL

** Monthly averages for excess reserves and borrowings are weighted averages of statement week figures.

TABLE 5
SELECTED INTEREST RATES
(per cent)

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
AUGUST 12, 1977

	Short-term						Long-term								
	Federal Funds	Treasury Bills		Commercial Paper 90-119 Day	CD's New Issue-NYC		U.S. Govt.-Constant Maturity Yields			Corp.-Aaa New Issue	Utility Recently Offered	Municipal Bond Buyer	Home Mortgages		
		90-Day	1-Year		60-Day	90-Day	3-yr	7-yr	20-yr				Primary Conv.	FNMA Auc.	Secondary Market GNMA Sec.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1976--High	5.58	5.53	6.32	5.90	5.63	5.75	7.52	7.89	8.17	8.95	8.94	7.13	9.10	9.20	8.45
Low	4.63	4.27	4.62	4.63	4.40	4.50	5.65	6.33	7.23	7.93	7.84	5.83	8.70	8.39	7.57
1977--High	5.80	5.40	5.88	5.60	5.50	5.65	6.78	7.31	7.78	8.34	8.33	5.93	8.95	8.79	8.08
Low	4.47	4.41	4.67	4.63	4.48	4.63	5.83	6.59	7.26	7.90	7.95	5.55	8.65	8.46	7.56
1976--July	5.31	5.23	5.82	5.54	5.30	5.42	7.12	7.70	8.00	8.63	8.63	6.79	8.93	9.05	8.37
Aug.	5.29	5.14	5.64	4.35	5.23	5.31	6.86	7.58	7.91	8.52	8.50	6.61	9.00	8.99	8.30
Sept.	5.25	5.08	5.50	5.33	5.11	5.24	6.66	7.41	7.78	8.29	8.33	6.51	8.98	8.88	8.10
Oct.	5.03	4.92	5.19	5.10	4.90	5.04	6.24	7.16	7.70	8.25	8.24	6.30	8.93	8.75	7.98
Nov.	4.95	4.75	5.00	4.98	4.84	4.94	6.09	6.86	7.64	8.17	8.18	6.29	8.81	8.66	7.93
Dec.	4.65	4.35	4.64	4.66	4.68	4.50	5.68	6.37	7.30	7.94	7.93	5.94	8.79	8.45	7.59
1977--Jan.	4.61	4.62	5.00	4.72	4.61	4.68	6.22	6.92	7.48	8.08	8.09	5.87	8.72	8.48	7.83
Feb.	4.68	4.67	5.16	4.76	4.58	4.70	6.44	7.16	7.64	8.22	8.19	5.89	8.67	8.55	7.98
Mar.	4.69	4.60	5.19	4.75	4.58	4.72	6.47	7.20	7.73	8.25	8.29	5.89	8.69	8.68	8.06
Apr.	4.73	4.54	5.10	4.75	4.57	4.67	6.32	7.11	7.67	8.26	8.22	5.73	8.75	8.67	7.96
May	5.35	4.96	5.43	5.26	5.04	5.16	6.55	7.26	7.74	8.33	8.31	5.75	8.83	8.74	8.04
June	5.39	5.02	5.41	5.42	5.24	5.35	6.39	7.05	7.64	8.08	8.12	5.62	8.86	8.75	7.95
July	5.42	5.19	5.57	5.38	5.16	5.28	6.51	7.12	7.60	8.14	8.12	5.63	8.95	8.72	7.96
1977--June 1	5.36	5.02	5.42	5.50	5.30	5.40	6.49	7.17	7.68	8.15	8.22	5.72	8.85	8.79	7.99
8	5.31	5.04	5.43	5.46	5.25	5.38	6.46	7.13	7.68	8.11	8.22	5.65	8.85	--	7.99
15	5.37	5.04	5.41	5.44	5.25	5.35	6.35	7.01	7.63	8.01	8.06	5.55	8.85	8.77	7.99
22	5.43	5.01	5.42	5.40	5.20	5.30	6.35	7.01	7.63	8.07	8.06	5.61	8.88	--	7.92
29	5.43	4.97	5.39	5.39	5.20	5.30	6.32	6.98	7.57	--	8.03	5.56	8.95	8.73	7.90
July 6	5.35	5.06	5.43	5.38	5.13	5.25	6.40	7.08	7.58	8.14	8.12	5.63	8.93	--	7.97
13	5.33	5.14	5.48	5.38	5.13	5.25	6.47	7.09	7.60	8.14	8.12	5.64	8.95	8.72	7.97
20	5.35	5.20	5.56	5.38	5.20	5.31	6.55	7.12	7.62	8.12	8.14	5.62	8.95	--	7.95
27	5.45	5.19	5.62	5.38	5.20	5.31	6.61	7.18	7.61	8.17	8.14	5.62	8.93	8.71	7.93
August 3	5.80	5.37	5.82	5.49	5.50	5.65	6.74	7.27	7.66	--	8.10	5.63	8.95	--	8.04
10	5.70	5.40	5.88	5.60	5.50	5.65	6.78p	7.29p	7.68p	8.08p	8.09p	5.63	n.a.	8.75	8.04
17															
24															
31															
Daily--Aug. 4	5.76	5.35	5.85	5.55	--	--	6.76	7.27	7.67	--	--	--	--	--	--
11	5.81p	5.52	6.00	5.63	--	--	6.81p	7.31p	7.70p	--	--	--	--	--	--

NOTE: Weekly data for columns 1 to 4 are statement week averages of daily data. Columns 5 and 6 are 1-day Wednesday quotes (prior to 1976, figures shown are for 60-89 day and 90-119 day ranges, respectively). For columns 7 through 10, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 11 and 12 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 13 is an average of contract interest rates on commitments for conventional first mortgages with 80 per cent loan-to-value ratios made by a sample of insured savings and loan associations on the Friday following the end of the statement week. Column 14 gives FNMA auction data for Monday preceding the end of the statement week. Column 15 is a 1-day quote for Monday preceding the end of the statement week. The FNMA auction yield is the average yield in bi-weekly auction for short-term forward commitments for Government underwritten mortgages. GNMA yields are average net yields to investors on mortgage-backed securities for immediate delivery, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the coupon rate 50 basis points below the current FHA/VA ceiling.

Appendix Table 1-A
MONEY AND CREDIT AGGREGATE MEASURES

Period	Bank Reserves ^{1/}			Bank Credit	Money Stock Measures						
	Total	Non-borrowed	Monetary Base	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
ANNUALLY: ^{2/}	(PER CENT ANNUAL RATES OF GROWTH)										
1974	7.0	7.7	9.1	10.1	5.1	7.7	7.1	10.6	9.0	8.9	9.5
1975	-0.2	3.2	5.9	3.9	4.4	8.3	11.1	6.5	9.7	10.5	10.1
1976	1.0	1.2	6.9	8.0	5.6	10.9	12.8	7.1	10.3	10.0	10.2
SEMI-ANNUALLY: ^{2/}											
1ST HALF 1976	-1.5	-1.3	6.9	6.7	5.6	10.3	11.8	6.0	8.9	9.2	9.6
2ND HALF 1976	3.6	3.7	6.8	8.9	5.5	10.9	13.1	8.0	11.1	10.3	10.4
1ST HALF 1977	2.9	2.3	7.0	10.5	6.4	9.7	10.6	9.0	10.3	10.2	10.4
QUARTERLY:											
3RD QTR. 1976	0.6	1.3	6.1	7.2	4.9	10.4	12.9	5.7	9.9	9.5	9.5
4TH QTR. 1976	7.6	7.7	8.0	11.2	7.2	13.4	14.5	12.4	13.8	11.9	11.6
1ST QTR. 1977	-1.8	-2.4	5.1	9.5	3.8	8.5	10.0	7.3	9.2	10.1	10.5
2ND QTR. 1977	6.5	4.6	8.2	11.2	8.2	8.8	9.9	9.1	10.0	9.7	9.9
QUARTERLY-AV:											
3RD QTR. 1976	2.7	2.6	6.3	6.9	4.4	9.1	11.4	6.0	9.3	9.2	9.6
4TH QTR. 1976	4.4	4.8	7.1	10.8	6.5	12.5	14.4	9.8	12.7	11.1	11.0
1ST QTR. 1977	2.7	2.6	6.8	8.6	4.2	9.9	11.3	9.3	10.9	10.7	10.8
2ND QTR. 1977	3.0	1.9	7.2	11.9	6.4	9.2	10.0	8.5	9.4	9.5	9.8
MONTHLY:											
1976--JULY	2.0	1.8	6.5	4.1	7.1	12.0	12.6	8.9	10.8	11.5	11.8
AUG.	5.9	7.0	6.6	9.7	5.9	8.8	12.3	2.0	7.9	7.6	7.7
SEPT.	-6.2	-4.8	5.1	7.6	1.6	10.0	13.3	6.2	10.8	8.6	8.7
OCT.	6.0	4.9	7.1	13.5	13.7	16.1	16.9	13.5	15.3	14.1	13.8
NOV.	11.8	12.6	9.1	11.1	0.0	10.6	12.6	9.7	11.9	10.8	10.5
DEC.	4.9	5.6	7.7	8.6	7.7	13.1	13.4	13.4	13.7	10.5	10.3
1977--JAN.	10.9	10.4	10.6	3.7	5.4	9.7	11.4	6.7	10.6	10.9	11.0
FEB.	-13.1	-13.3	-0.2	14.7	0.8	7.1	6.9	7.0	8.7	11.4	11.7
MAR.	-3.1	-4.3	5.0	10.0	5.4	8.6	9.4	6.2	8.0	7.6	8.5
APR.	13.0	14.1	11.8	14.0	19.4	13.5	12.4	11.7	11.3	10.6	10.8
MAY	1.5	-3.1	6.2	10.3	0.7	4.7	7.3	5.4	7.6	7.7	7.9
JUNE	4.8	2.9	6.4	8.9	4.5	8.1	9.8	10.0	10.7	10.5	10.7
JULY P	17.3	15.4	14.3	9.3	18.3	16.8	16.0	13.8	14.3	13.7	13.6

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

2/ BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY

MONEY AND CREDIT AGGREGATE MEASURES

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

Period	Bank Reserves ^{1/}			Bank Credit	Money Stock Measures						
	Total	Non-borrowed	Monetary Base	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
ANNUALLY:											
1974	34,174	33,447	104,380	695.2	283.1	612.4	981.5	701.4	1070.5	1161.2	1221.6
1975	34,015	33,885	110,594	725.5	294.8	664.5	1092.6	746.5	1174.7	1308.3	1351.1
1976	34,465	34,412	116,054	768.2	312.4	740.3	1237.1	803.5	1300.3	1439.1	1488.8
MONTHLY:											
1976--JULY	33,633	33,701	114,625	755.9	305.0	705.2	1168.8	774.1	1237.7	1378.6	1427.1
AUG.	33,998	33,897	115,252	762.0	306.5	710.4	1180.8	775.4	1245.8	1387.5	1436.3
SEPT.	33,823	33,761	115,739	766.8	306.9	716.3	1193.9	779.4	1257.0	1397.5	1446.7
OCT.	33,992	33,898	116,424	775.4	310.4	725.9	1210.7	788.2	1273.0	1413.9	1463.3
NOV.	34,325	34,253	117,304	782.6	310.4	732.3	1223.4	794.6	1285.0	1426.6	1476.1
DEC.	34,465	34,412	116,054	786.2	312.4	740.3	1237.1	803.5	1300.3	1439.1	1488.8
1977--JAN.	34,778	34,710	119,100	790.6	313.8	746.3	1248.9	809.3	1312.0	1452.2	1502.4
FEB.	34,397	34,326	119,077	800.3	314.0	750.7	1258.2	814.0	1321.5	1466.0	1517.1
MAR.	34,308	34,204	119,572	807.0	315.4	756.1	1268.1	818.2	1330.3	1475.5	1527.8
APR.	34,680	34,606	120,749	816.4	320.5	764.6	1281.2	826.2	1342.8	1488.5	1541.6
MAY	34,723	34,517	121,376	823.4	320.7	767.6	1289.0	829.9	1351.3	1496.1	1551.8
JUNE	34,862	34,599	122,027	829.5	321.9	772.8	1299.5	836.8	1363.4	1511.2	1565.6
JULY P	35,364	35,042	123,477	835.9	326.6	783.6	1316.6	846.4	1379.6	1528.4	1583.4
WEEKLY:											
1977--JUNE 8	34,507	34,281	121,208		321.5	771.6		834.9			
15	34,686	34,463	121,546		320.9	771.1		834.8			
22	34,960	34,709	122,217		322.4	774.0		838.0			
29	35,162	34,828	122,941		322.4	774.6		839.3			
JULY 6	35,743	35,478	123,526		325.7	780.1		844.1			
13	34,937	34,777	122,816		324.3	780.7		843.6			
20	35,362	34,956	123,424		329.0	785.9		848.4			
27P	34,960	34,665	123,424		327.9	786.1		848.4			
AUG. 3P	36,256	35,658	124,743		328.6	787.1		849.9			

NOTES: 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.

P - PRELIMINARY

APPENDIX TABLE 2-A

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits				Mutual Savings Bank & S&L Shares ^{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: ^{2/}												
1974	10.3	3.6	14.7	10.1	6.5	12.7	36.5	5.6	12.3	4.7	13.5	29.6
1975	8.8	2.9	8.0	11.7	17.4	7.8	-6.1	15.5	19.4	6.2	33.4	-1.0
1976	9.6	4.3	6.1	15.2	25.0	7.7	-23.5	15.6	17.8	6.9	7.5	19.2
SEMI-ANNUALLY: ^{2/}												
1ST HALF 1976	10.7	4.0	6.3	14.1	27.6	3.8	-28.9	13.8	16.6	6.3	16.6	21.6
2ND HALF 1976	8.0	4.6	9.7	15.2	19.7	11.4	-21.1	16.2	17.6	7.2	-1.4	15.2
1ST HALF 1977	8.5	5.7	10.5	12.1	15.1	9.4	0.0	12.2	16.1	6.4	12.2	16.5
QUARTERLY:												
3RD QTR. 1976	6.8	3.7	6.2	14.5	19.5	10.3	-40.5	16.9	17.9	8.1	0.0	15.2
4TH QTR. 1976	6.6	7.4	15.7	18.1	27.5	10.0	1.3	15.9	18.2	6.2	-16.1	4.1
1ST QTR. 1977	8.4	2.2	9.5	11.9	15.4	8.7	-7.0	12.0	16.4	6.1	31.1	20.9
2ND QTR. 1977	8.6	8.2	9.5	9.4	4.0	14.2	10.9	11.2	13.8	6.6	8.3	15.3
QUARTERLY-AV:												
3RD QTR. 1976	7.8	3.2	7.0	12.8	13.8	11.7	-24.6	14.6	15.9	7.0	9.2	22.6
4TH QTR. 1976	8.1	6.0	12.2	17.1	24.7	10.6	-18.9	17.2	18.5	7.4	-11.9	7.4
1ST QTR. 1977	7.5	3.1	12.5	14.0	21.9	7.1	1.9	13.3	16.7	6.7	11.1	11.9
2ND QTR. 1977	9.3	6.3	6.3	9.6	7.9	11.6	-1.9	10.9	15.0	6.1	13.0	17.5
MONTHLY:												
1976--JULY	9.3	6.9	9.5	15.2	12.6	17.3	-22.2	13.9	16.8	5.2	29.3	20.3
AUG.	7.7	5.3	-0.3	11.4	21.7	2.2	-67.9	18.0	16.6	8.6	0.0	14.9
SEPT.	9.2	-1.1	9.2	16.3	23.3	11.0	-35.1	18.0	19.6	10.3	-28.6	9.8
OCT.	9.1	15.3	13.5	17.9	19.6	15.6	-15.2	18.0	19.3	5.1	0.0	7.3
NOV.	6.0	-2.1	16.1	18.8	29.9	9.7	-1.9	15.3	15.8	6.8	-3.4	0.0
DEC.	4.5	6.9	17.1	16.8	31.0	4.3	21.2	13.8	16.8	6.7	-44.9	4.8
1977--JAN.	6.9	4.1	11.0	12.9	21.9	4.8	-3.8	14.2	15.4	6.7	17.9	12.1
FEB.	10.4	-3.1	10.7	11.7	13.4	10.6	3.8	11.4	15.2	6.6	68.9	21.5
MAR.	5.9	5.7	6.7	10.7	10.4	10.5	-20.9	10.0	18.0	5.0	5.0	28.2
APR.	13.1	21.6	6.9	9.5	9.7	9.4	-11.6	10.4	11.6	6.6	3.3	18.4
MAY	7.2	-1.5	6.3	7.6	4.5	10.3	13.6	11.1	11.7	6.5	10.0	15.8
JUNE	5.7	4.6	13.2	10.7	-2.3	22.5	30.8	11.8	17.4	6.5	11.5	11.2
JULY P	15.7	16.7	11.0	15.4	8.5	21.6	-20.7	14.6	20.0	6.5	9.8	15.5

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

^{2/} BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY.

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

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 ^{2/}	Total Gov't Demand Deposits ^{3/}
			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	416.3	329.3	136.2	193.1	89.0	341.5	27.6	63.3	47.4	40.4	37.6	6.6
1975	73.7	221.0	451.7	369.6	161.0	208.6	82.1	395.2	33.0	67.3	66.3	42.6	33.7	8.2
1976	60.5	231.9	491.1	427.9	202.4	225.5	63.3	457.8	39.0	71.9	66.9	49.7	51.4	11.2
MONTHLY:														
1976--JULY	78.1	226.9	469.0	400.1	182.5	217.6	66.9	427.4	36.2	69.7	71.4	46.2	36.1	10.1
AUG.	78.6	227.5	468.9	403.9	185.8	216.0	65.0	433.8	36.7	70.2	71.4	46.8	41.9	12.6
SEPT.	79.2	227.7	472.5	409.4	169.4	220.0	63.1	440.3	37.3	70.8	69.7	49.2	42.0	12.0
OCT.	79.8	230.6	477.8	415.5	192.5	222.9	62.3	446.9	37.9	71.1	69.7	49.5	45.6	13.2
NOV.	80.2	230.2	484.2	422.0	197.3	224.7	62.2	452.6	38.4	71.5	69.5	49.5	48.2	13.0
DEC.	80.5	231.9	491.1	427.9	202.4	225.5	63.3	457.8	39.0	71.9	66.9	49.7	51.4	11.2
1977--JAN.	81.1	232.7	495.6	432.5	206.1	226.4	63.1	463.2	39.5	72.3	67.9	50.2	50.5	10.0
FEB.	81.8	232.1	500.0	436.7	208.4	228.4	63.3	467.6	40.0	72.7	71.8	51.1	50.7	11.7
MAR.	82.2	233.2	502.8	440.6	210.2	230.4	62.2	471.5	40.6	73.0	72.1	52.3	52.7	11.2
APR.	83.1	237.4	505.7	444.1	211.9	232.2	61.6	475.6	41.0	73.4	72.3	53.1	52.7	10.8
MAY	83.6	237.1	509.2	446.9	212.7	234.2	62.3	460.0	41.4	73.6	72.9	53.8	56.2	10.6
JUNE	84.0	236.0	514.8	450.9	212.3	238.6	63.9	464.7	42.0	74.2	73.6	54.3	55.9	10.1
JULY P	85.1	241.7	519.5	456.7	213.8	242.9	62.8	490.6	42.7	74.6	74.2	55.0	55.9	11.8
WEEKLY:														
1977--JUNE 8	83.8	237.8	513.3	450.1	212.7	237.4	63.2						54.9	7.5
15	83.8	237.1	513.9	450.2	212.3	237.9	63.7						50.6	6.5
22	84.2	236.2	515.6	451.6	212.2	239.4	64.0						58.2	12.5
29	84.6	237.8	516.9	452.2	211.9	240.3	64.8						59.5	12.1
JULY 6	85.0	240.7	518.4	454.4	212.4	242.0	64.0						53.0	10.8
13	84.8	239.5	519.2	456.4	213.2	243.2	62.8						54.4	10.7
20	84.9	244.1	519.3	456.9	213.8	243.1	62.4						59.2	11.8
27P	85.3	242.6	520.5	456.2	214.5	243.7	62.3						58.0	12.8
AUG. 3P	85.4	243.2	521.3	458.5	215.2	243.2	62.8						54.0	12.6

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

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

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

P - PRELIMINARY