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November 17, 1978

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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

November 17, 1978

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) Following a sharp September increase, M-1 slowed to a $3\frac{1}{2}$ per cent annual rate of growth in October, and appears to be expanding at a $2\frac{1}{4}$ per cent rate in November. The slower growth of M-1 this month reflects the impact on the daily average November level of what appears to be a transitory drop in demand deposits in late October; in addition, the introduction of Automatic Transfer Service (ATS) is also dampening M-1 growth.^{1/} For October and November combined, growth is projected at a $2\frac{3}{4}$ per cent annual rate, well below the limit set by the FOMC. M-2 appears to be expanding at about a $7\frac{1}{2}$ per cent annual rate, the midpoint of its FOMC range. Growth in small time deposits picked up in October, reflecting record inflows of the 6-month certificates, but savings deposits declined

Growth in Monetary Aggregates
over October-November Period

	<u>Ranges</u>	<u>Latest Estimates</u>	
M-1	Upper limit of $6\frac{1}{2}$	$2\frac{3}{4}$	
M-2	$5\frac{1}{2}$ to $9\frac{1}{2}$	$7\frac{1}{2}$	
Memo: Federal funds rate (per cent per annum)	$8\frac{3}{4}$ to $9\frac{1}{4}$ until Oct. 31; $9\frac{1}{2}$ to $9\frac{3}{4}$ since Nov. 1	Avg. for statement <u>week ending</u>	
		Oct. 18	8.78
		25	9.24
		Nov. 1	9.29
		8	9.77
		15	9.68

^{1/} Data from a sample of member and nonmember banks suggest that ATS balances at all commercial banks had risen to \$765 million by Nov. 8. Respondents estimated that between 50 and 60 per cent of these balances came from demand deposits, and that only about 3 per cent came from thrift deposits. The average size of the ATS accounts was just over \$6,000.

and growth of large-denomination time deposits included in this measure, while accelerating at month-end, moderated on a daily average basis. Total deposit growth at nonbank thrift institutions also moderated a bit in October, despite increased issuance of the new money market time deposit.

(2) Following the October FOMC meeting, the Account Management raised its funds rate objective to the 9 per cent mid-point of the $8\frac{3}{4}$ to $9\frac{1}{4}$ per cent range specified by the Committee. Funds generally traded around the upper limit of this range, however, as the Desk first encountered difficulty in providing reserves because of a shortage of collateral and then in the last days of October was reluctant to take aggressive action to reduce the rate in view of conditions in the foreign exchange market. To strengthen the dollar in foreign exchange markets and counter inflationary pressures, on November 1 the discount rate was raised one percentage point to $9\frac{1}{2}$ per cent,^{1/} reserve requirements on large denomination time deposits were increased 2 percentage points, and up to \$30 billion of foreign currencies were mobilized for intervention in foreign exchange markets. The FOMC also raised its funds rate range to $9\frac{1}{2}$ to $9\frac{3}{4}$ per cent. In light of the volatile conditions in foreign exchange markets, the Desk limited its reserve supplying actions in the days immediately following the announcement, and funds traded at rates somewhat above the upper end of the new range. In recent days, though, Federal funds have traded at rates within the Committee's new range--mainly within the upper part of the range.

^{1/} In the week following the discount rate action, member bank borrowing --which had averaged \$1.3 billion in October--fell to \$698 million; in the most recent statement week, borrowing averaged \$631 million.

(3) The trade-weighted exchange value of the dollar and the value of the dollar against key currencies have risen substantially since the November 1 announcement and, as can be seen in the table below, the value of the dollar has recovered to its August-September levels (with the exception of the mark). Operations in foreign exchange markets on behalf of the Treasury and System accounts since the November 1 announcement have resulted in net sales of \$2.4 billion of German marks, \$350 million of Swiss francs, and \$200 million of Japanese yen.

Recent Changes in Dollar Exchange Rates
(per cent change)

	<u>Aug.-Sept. average to Oct. 31</u>	<u>Oct. 31 to present</u>	<u>Present level (Nov. 17)</u>
<u>Major currencies:</u>			
German mark	-11.0	9.8	1.926 DM/dollar
Swiss franc	-6.9	14.9	1.724 SF/dollar
Japanese yen	-7.3	9.0	195.6 Y/dollar
Average foreign currency			
value of the dollar			
(trade weighted)	-7.4	8.3	90.0 (3/73=100)

(4) Private short-term interest rates generally rose following the October FOMC meeting and then increased further in response to the System's tightening moves in early November, recording gains of 1 percentage point or more over the intermeeting period. Rates have been under less upward pressure in the Treasury bill market, with the 3-month Treasury bill rate about unchanged on balance over the period and longer-term bills up 35 to 55 basis points. The

difference in movement between Treasury and private rates appears mainly to reflect the impact of international financial flows. Foreign official institutions have made substantial purchases of bills over this period.^{1/} At the same time, it seems likely that private capital outflows have added to upward pressures on private short-term rates. For example, it appears that a substantial part of the large CD issuance by U.S. banks has been undertaken to finance both loans to foreign banks and advances to their own foreign branches.

Recent Changes in Interest Rates

	<u>Change</u>		<u>Recent Level</u> (Nov. 16)
	<u>Oct. 17 to present</u>	<u>Oct. 31 to present</u>	
<u>Short-term interest rates:</u>			
Federal funds	+ .96	+ .37	9.72
3-month Treasury bills	+ .02	- .58	8.17
3-month commercial paper	+1.32	+ .91	10.31
3-month CD (high quote)	+1.28	+ .50	10.63
Bank prime rate	+1.00	+ .75	11.00
<u>Long-term interest rates:</u>			
20-year Treasury	+ .03	- .21	8.69
Aaa utility (recently offered)	+ .22	+ .01	9.25
Municipal Bond Buyer	+ .01	- .10	6.11
Primary mortgage rate	+ .20	+ .17	10.05

^{1/} Since the October FOMC meeting, foreign central bank holdings of marketable Treasury securities in custody at the Federal Reserve Bank of New York have increased by about \$8½ billion, mainly in the form of Treasury bills, while foreign official holdings of nonmarketable debt have risen about \$3 billion.

(5) The November 1 announcement had a constructive impact on bond markets. Treasury bond yields dropped rather substantially immediately after the announcement. They have fluctuated around these lower levels in subsequent market trading, although the Treasury has in recent weeks raised \$2.7 billion in new cash through coupon issues.^{1/} Municipal yields have also declined, though by less than Treasury yields, while corporate bond rates have stabilized.

(6) Although bond yields have declined or shown little change since the beginning of the month, mortgage yields have risen. By mid-November the average yield on new mortgage loan commitments at savings and loan associations had moved to over 10 per cent, despite constraints imposed by usury ceilings in some States. The increase in yields reflects both the recent slowing of thrift deposit inflows and the continued strong demands for credit. Savings and loan associations increased outstanding mortgage commitments again in September, and growth in their mortgage holdings is estimated to have increased somewhat in October.

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

^{1/} The bulk of this new money was raised in the mid-November quarterly refunding in which the Treasury auctioned \$2.5 billion of 3½-year notes, \$2.5 billion of 10-year notes, and \$1.75 billion of 30-year bonds. Record yields were set in the auction for each issue, but all issues are now trading at substantial premia.

	1976 & 1977 Average	Past Twelve Months Oct. '78 over Oct. '77	Past Six Months Oct. '78 over Apr. '78	Past Three Months Oct. '78 over July '78	Past Months Oct. '78 over Sept. '78
Nonborrowed reserves	2.0	7.8	4.3	3.0	1.5
Total reserves	3.0	7.5	7.9	2.5	7.8
Monetary base	7.5	9.3	9.7	8.6	8.9
<u>Concepts of Money</u>					
M-1 (Currency plus demand deposits) <u>1/</u>	6.9	7.7	7.7	8.7	3.3
M-1+ (M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share drafts, and demand deposits at mutual savings banks).	11.0	5.6	5.6	7.5	1.4
M-2 (M-1 plus time deposits at commercial banks other than large CD's)	10.4	8.2	8.9	9.9	6.7
M-3 (M-2 plus deposits at thrift institutions)	12.3	9.3	10.3	12.0	10.0
M-4 (M-2 plus CD's)	8.6	10.1	9.1	9.3	6.2
M-5 (M-3 plus CD's)	11.1	10.4	10.4	11.6	9.5
<u>Bank Credit</u>					
Loans and investments of all commercial banks <u>2/</u>					
Month-end basis	9.7	11.0	10.7	8.3	9.5
Monthly average	9.5	11.1	10.5	9.6	11.1
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-0.4	1.8	0.8	-.3	0.1
Nonbank commercial paper	0.2	0.2	0.3	0.2	0.5

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

2/ Includes loans sold to affiliates and branches.

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

Prospective developments

(8) Two alternative specifications for the monetary aggregates and the Federal funds rate for the November-December period are shown below for Committee consideration. Both are believed consistent with the longer-run growth ranges adopted by the Committee last month for the QIII '78 to QIII '79 policy period. Alternative A calls for no near-term change in the Federal funds rate, while Alternative B increases policy restraint in coming weeks. (More detailed and longer-term data are contained in the tables on pp. 8 and 9).

	<u>Alt. A</u>	<u>Alt. B</u>
Ranges for Nov.-Dec.		
M-1	1 to 6	$\frac{1}{2}$ to $5\frac{1}{2}$
M-2	$6\frac{1}{2}$ to $10\frac{1}{2}$	6 to 10
Addendum:		
M-1+	2 to 6	$1\frac{1}{2}$ to $5\frac{1}{2}$
Federal funds rate (Intermeeting period)	$9\frac{1}{2}$ to 10	$9\frac{3}{4}$ to $10\frac{1}{2}$

(9) Alternative A contemplates a Federal funds rate between now and the next meeting centered in the prevailing $9\frac{1}{2}$ to $9\frac{3}{4}$ per cent range. Growth in M-1 over the November-December period is expected to be in a 1 to 6 per cent annual rate range--assuming that transfers to savings deposits because of ATS will reduce M-1 growth over these two months by 3 to 5 percentage points. Some acceleration in M-1 growth is anticipated in December. The relatively slow growth of October-November in part represented the public's adjustment to the very rapid expansion in money that occurred in September. In December, we expect the relatively strong underlying demand for money

Alternative Levels and Growth Rates for Key Monetary Aggregates

		<u>M-1 ^{1/}</u>		<u>M-1+</u>		<u>M-2</u>	
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. A</u>	<u>Alt. B</u>
1978	October	361.9	361.9	588.6	588.6	867.2	867.2
	November	362.6	362.5	589.1	588.9	873.1	872.7
	December	364.1	363.8	592.3	591.9	879.6	878.8
1978	QIII	357.3	357.3	582.6	582.6	854.0	854.0
	QIV	362.9	362.7	590.0	589.8	873.3	872.9
1979	QI	364.9	364.4	597.0	596.0	889.9	888.6
	QII	366.4	366.1	604.5	603.7	905.9	904.7
	QIII	368.7	368.7	613.1	612.8	922.5	922.0

Growth Rates

Monthly:

1978	November	2.3	2.0	1.0	0.6	8.2	7.6
	December	5.0	4.3	6.5	6.1	8.9	8.4

Quarterly average:

1978	QIV	6.3	6.0	5.1	4.9	9.0	8.9
1979	QI	2.2	1.9	4.7	4.2	7.6	7.2
	QII	1.6	1.9	5.0	5.2	7.2	7.2
	QIII	2.5	2.8	5.7	6.0	7.3	7.6

Semi-Annual:

QIII '78-QI '79	4.3	4.0	4.9	4.6	8.4	8.1
QI '79-QIII '79	2.1	2.4	5.4	5.6	7.3	7.5

Annual:

QIII '78-QIII '79	3.2	3.2	5.2	5.2	8.0	8.0
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^{1/} The staff has assumed that over the longer-run policy period from QIII '78 to QIII '79 M-1 growth will be reduced 3 percentage points by ATS. In projecting GNP, monetary aggregates, and interest rates the staff has carried forward the assumption in most recent Bluebooks that M-1, in the absence of ATS, would increase at a 6½ per cent annual rate over the longer-run. Thus, the observed growth of M-1 is expected to be 3½ per cent over the QIII '78 to QIII '79 period.

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

		<u>M-3</u>		<u>Bank Credit</u>	
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. A</u>	<u>Alt. B</u>
1978	October	1484.3	1484.3	955.9	955.9
	November	1496.3	1495.9	964.5	964.5
	December	1508.6	1507.7	973.4	972.8
1978	QIII	1456.0	1456.0	939.9	939.9
	QIV	1496.4	1496.0	964.6	964.4
1979	QI	1529.9	1528.2	988.6	987.5
	QII	1561.6	1559.6	1013.6	1011.9
	QIII	1593.8	1592.9	1038.6	1034.8

Growth Rates

Monthly:

1978	November	9.7	9.4	10.8	10.8
	December	9.9	9.5	11.1	10.3

Quarterly Average:

1978	QIV	11.1	11.0	10.5	10.4
1979	QI	9.0	8.6	10.0	9.6
	QII	8.3	8.2	10.1	9.9
	QIII	8.2	8.5	9.9	9.1

Semi-Annual:

QIII '78-QI '79	10.2	9.9	10.4	10.1
QI '79-QIII '79	8.4	8.5	10.1	9.6

Annual:

QIII '78-QIII '79	9.5	9.4	10.5	10.1
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to reassert itself. Over the fourth quarter as a whole, M-1 growth is expected to be $6\frac{1}{2}$ per cent on the assumption that ATS effects reduce growth by 1 percentage point for the period.

(10) The specifications in the table on page 7 also show the supplementary aggregate M-1+, should the Committee wish to provide additional quantitative guidance to the Desk during a period when measured M-1 growth will be reduced to an uncertain extent by ATS. Over the two-month policy period, this supplementary aggregate is expected to increase in a 2 to 6 per cent annual rate range--the midpoint of which is below the 6 per cent average annual rate of growth of this aggregate since mid-year.

(11) Expansion of M-2 under alternative A is likely to be in a $6\frac{1}{2}$ to $10\frac{1}{2}$ per cent annual rate range over the November-December period. The interest-bearing component of this aggregate will be buoyed by shifts from demand to ATS savings accounts, as well as by some expected shifts of funds from thrift accounts and other nonbank sources as the public attempts to meet minimum balance requirements on the new transactions accounts. The total of other interest-bearing deposits in M-2 is expected to moderate slightly from the third quarter pace, despite the recent higher level of market rates of interest. Issuance of 6-month money market time deposits (MMTDs) and large-denomination certificates is expected to offset a further contraction of nontransferable savings accounts and fixed ceiling rate time deposits. Banks are likely to continue offering MMTDs and large-denomination time deposits aggressively in order to finance

their lending. MMTDs are particularly attractive to large banks since their effective cost is currently below that on large-denomination CD's by about 1 percentage point.

(12) The staff has reduced somewhat its projection of thrift flows for the current quarter in view of their recent slowing as well as the higher than previously assumed level of market rates. There may be some continuing tendency for thrifts to reduce promotion of MMTDs or to cease offering ceiling rates on such certificates, but by and large the institutions are expected to be under competitive pressure to continue offering ceiling rates, particularly after December 1 when outstanding MMTDs begin to mature. Furthermore, the FHLBB has made it known to S&Ls that advances will not be liberally available to institutions that do not make reasonable efforts to roll over maturing 6-month certificates.

(13) If the Federal funds rate remains around the $9\frac{1}{2}$ to $9\frac{3}{4}$ per cent level over the intermeeting period, as envisioned under alternative A, short-term market rates may show mixed changes. Private short-term credit demands are expected to remain relatively strong in coming weeks. Nonetheless, the relatively wide spread between rates on private short-term instruments and the Federal funds rate may tend to narrow as it becomes clear that the System is not tightening its policy stance further. The Treasury is expected to offer a sizable volume of cash management bills in early December and to continue to put more emphasis on 3-month bills in its weekly bill offering. Thus, rates on shorter-term Treasury bills may tend to

move up somewhat from current relatively low levels, unless foreign central bank acquisitions of these instruments once again become sizable. With regard to longer-term markets, the expected issuance of foreign-currency denominated securities will likely reduce the volume of debt issued in the U.S. market over the next few months. With a modest calendar of corporate and tax-exempt issues also in prospect, bond yields are unlikely to rise from current levels and may even decline. Mortgage rates, on the other hand, can be expected to move higher as demands for loans continue strong at a time when the thrift inflows are expected to slow.

(14) Under alternative B, the Federal funds rate would rise by mid-December to the midpoint of a $9\frac{1}{2}$ to $10\frac{1}{2}$ per cent range. M-1 growth would likely be in a $\frac{1}{2}$ to $5\frac{1}{2}$ per cent annual rate range over November-December, and M-1+ and M-2, respectively in $1\frac{1}{2}$ to $5\frac{1}{2}$ and 6 to 10 per cent ranges. The further increases in short-term rates would slow M-2 and M-3 growth only modestly, as more aggressive offerings of 6-month certificates and large-denomination time deposits could be expected partly to offset weakness in other deposits.

(15) A further increase in the funds rate against a backdrop of recent slow growth in the aggregates would add support to the view that the Federal Reserve is committed to an aggressive policy to counter inflation and support the dollar. In reaction, short-term interest rates would likely adjust promptly to the

higher funds rate. However, the impact on bond yields is less clear. Although capital and money market yields generally tend to move together, they might not in this case if the inflation anticipations of market participants are lowered by this action. The dollar would also be expected to improve somewhat further in exchange markets.

(16) Appendix I shows the expected Federal funds rate ranges over the QIII '78 to QIII '79 policy period. In view of the monetary restraint already in train, the midpoint of the alternative A path would call for no further increase in the funds rate over this period. The alternative B pattern contemplates that the increase in the funds rate in the intermeeting period would be maintained through the first quarter of 1979. This additional restraint on monetary expansion implies that the funds rate could be lower than the alternative A path by next summer while still achieving the same growth in the aggregates over the QIII '78 to QIII '79 period.

Directive language

(18) Given below are suggested operational paragraphs for the directive. The language added last month "giving due regard . . . to uncertainties associated with the introduction of ATS" has been retained. The form of the first paragraph below is similar to the directive adopted at the last meeting, while additional alternative language is provided for placing main emphasis either on monetary aggregates or on money market conditions should the Committee wish to return to a formulation similar to that used for some time before the October meeting. Should the Committee wish to employ M-1+ as a guide for operations, appropriate language is shown in brackets. The specifications adopted at the September meeting are shown in strike-through form.

In the short run, the Committee seeks to achieve bank reserve and money market conditions that are broadly consistent with the longer-run ranges for monetary aggregates cited above, while giving due regard to developing conditions in domestic and international financial markets, more generally and to uncertainties associated with the introduction of ATS. Early in the period before the next regular meeting, System open market operations are to be directed at attaining a weekly average Federal funds rate

- (A) AT ABOUT THE CURRENT LEVEL.
- (B) slightly above the current level.

Subsequently, operations shall be directed at maintaining the weekly average Federal funds rate within the range of $9\frac{1}{2}$ -~~to~~

9½ ____ TO ____ per cent. In deciding on the specific objective for the Federal funds rate, the Manager is to be guided mainly by a range of tolerance for the annual rate of growth ~~in-M-2~~ over the ~~October-November~~ NOVEMBER-DECEMBER period of [____ TO ____ PER CENT IN M-1+ AND] ~~5½-to-9½~~ ____ TO ____ per cent IN M-2, provided that the rate in M-1 does not appear to exceed 6½ ____ per cent.

Money market emphasis

THE OBJECTIVE FOR THE FUNDS RATE IS TO BE RAISED OR LOWERED IN AN ORDERLY FASHION WITHIN ITS RANGE IF THE RATES OF GROWTH OF [M-1+ AND] M-2 APPEARS TO BE CLOSE TO OR BEYOND THE UPPER OR LOWER LIMIT OF ITS RANGE. WEIGHT IS TO BE GIVEN TO M-1 IF IT APPEARS TO BE GROWING AT A RATE CLOSE TO OR ABOVE ITS LIMIT.

Monetary aggregates emphasis

THE OBJECTIVE FOR THE FUNDS RATE IS TO BE RAISED OR LOWERED IN AN ORDERLY FASION WITHIN ITS RANGE IF THE RATE OF GROWTH OF [M-1+ AND] M-2 APPEARS TO BE SIGNIFICANTLY ABOVE OR BELOW THE MIDPOINT OF THE INDICATED RANGE. WEIGHT IS TO BE GIVEN TO M-1 IF IT APPEARS TO BE GROWING AT A RATE CLOSE TO OR ABOVE ITS LIMIT.

IF THE RATES OF GROWTH IN THE AGGREGATES APPEAR TO BE FALLING OUTSIDE THE LIMITS OF THE INDICATED RANGES AT A TIME WHEN THE OBJECTIVE FOR THE FUNDS RATE HAS ALREADY BEEN MOVED

TO THE CORRESPONDING LIMIT OF ITS RANGE, THE MANAGER WILL PROMPTLY NOTIFY THE CHAIRMAN, WHO WILL THEN DECIDE WHETHER THE SITUATION CALLS FOR SUPPLEMENTARY INSTRUCTIONS FROM THE COMMITTEE.

CHART 1

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

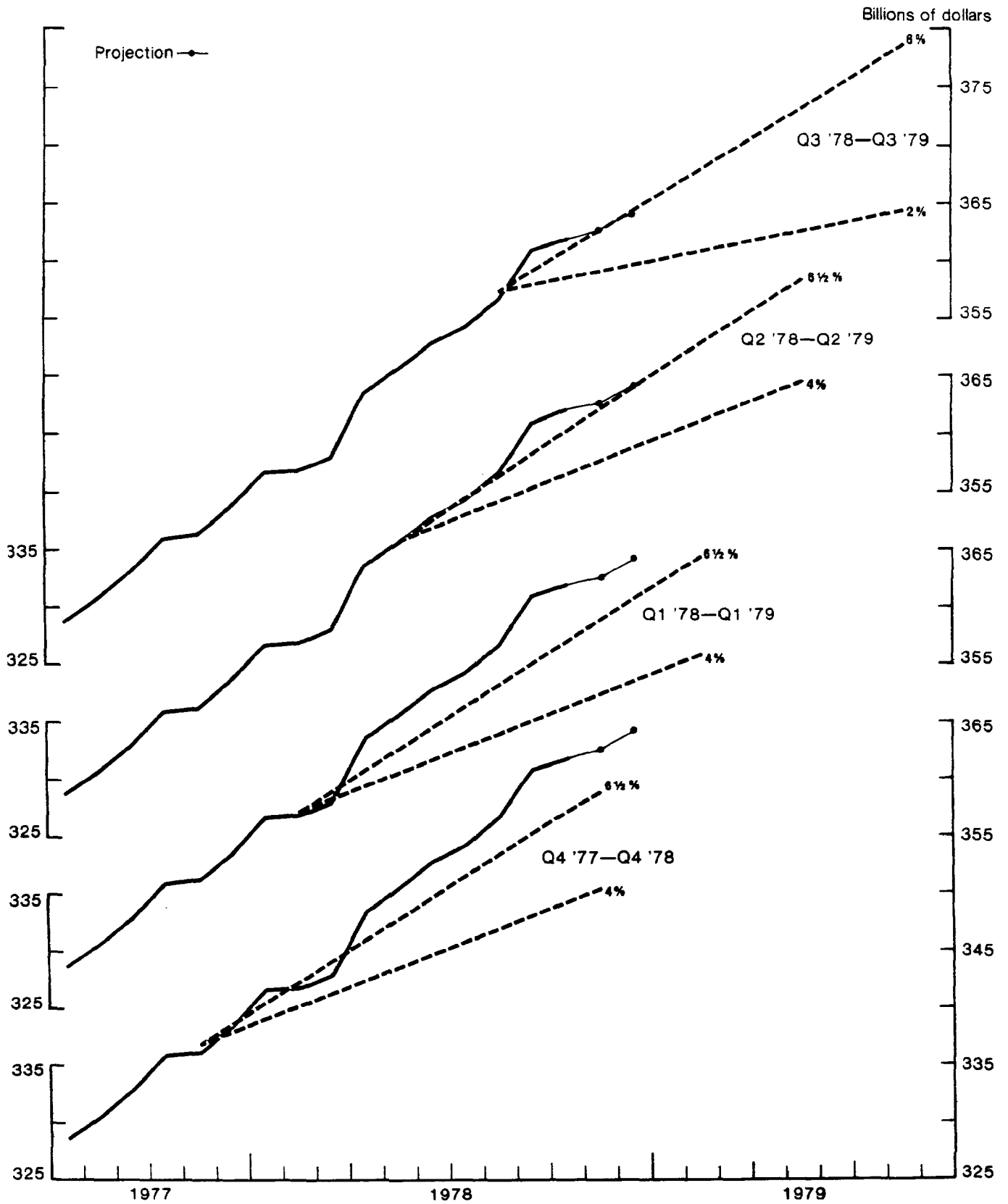


CHART 2

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

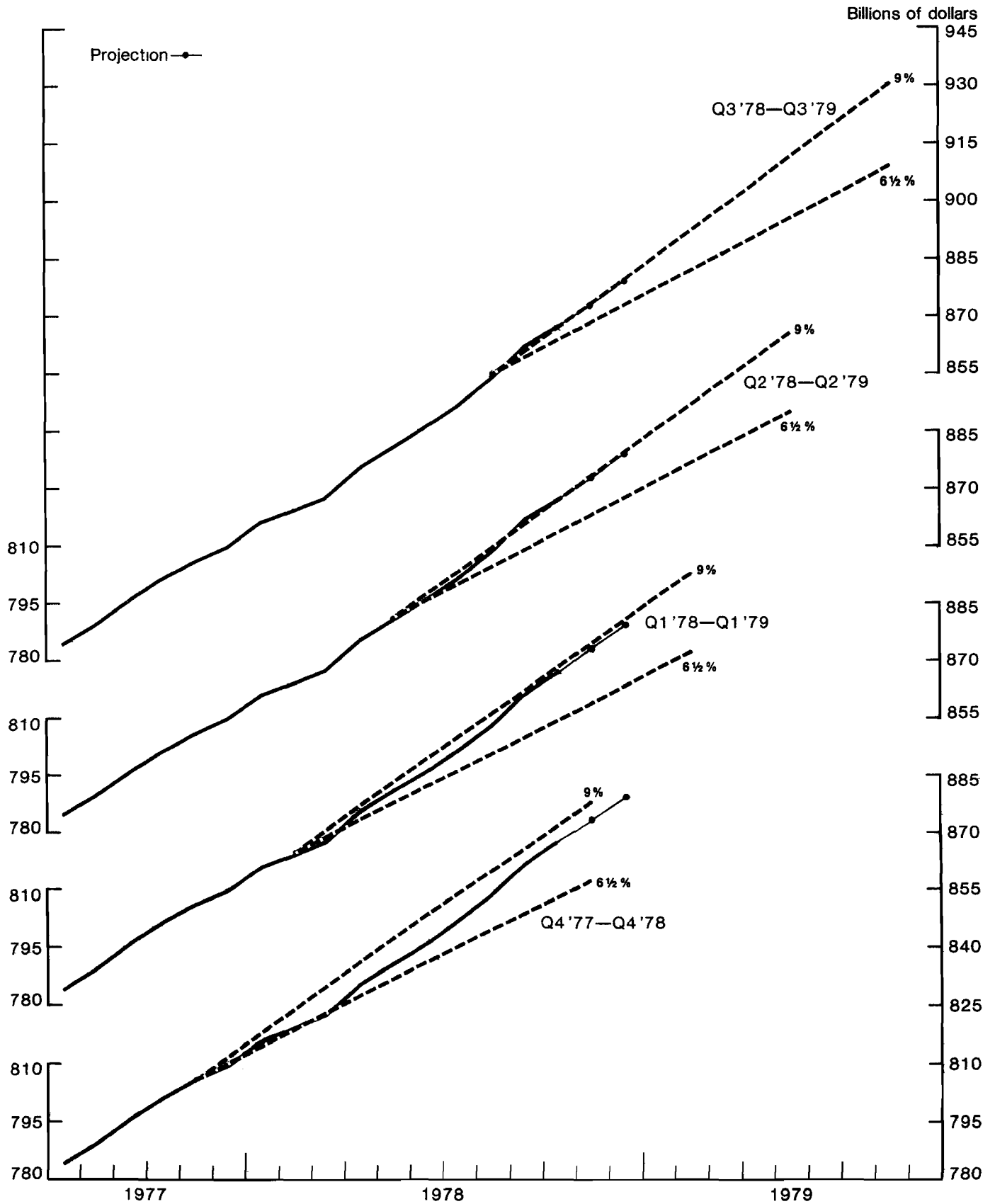


Chart 3

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

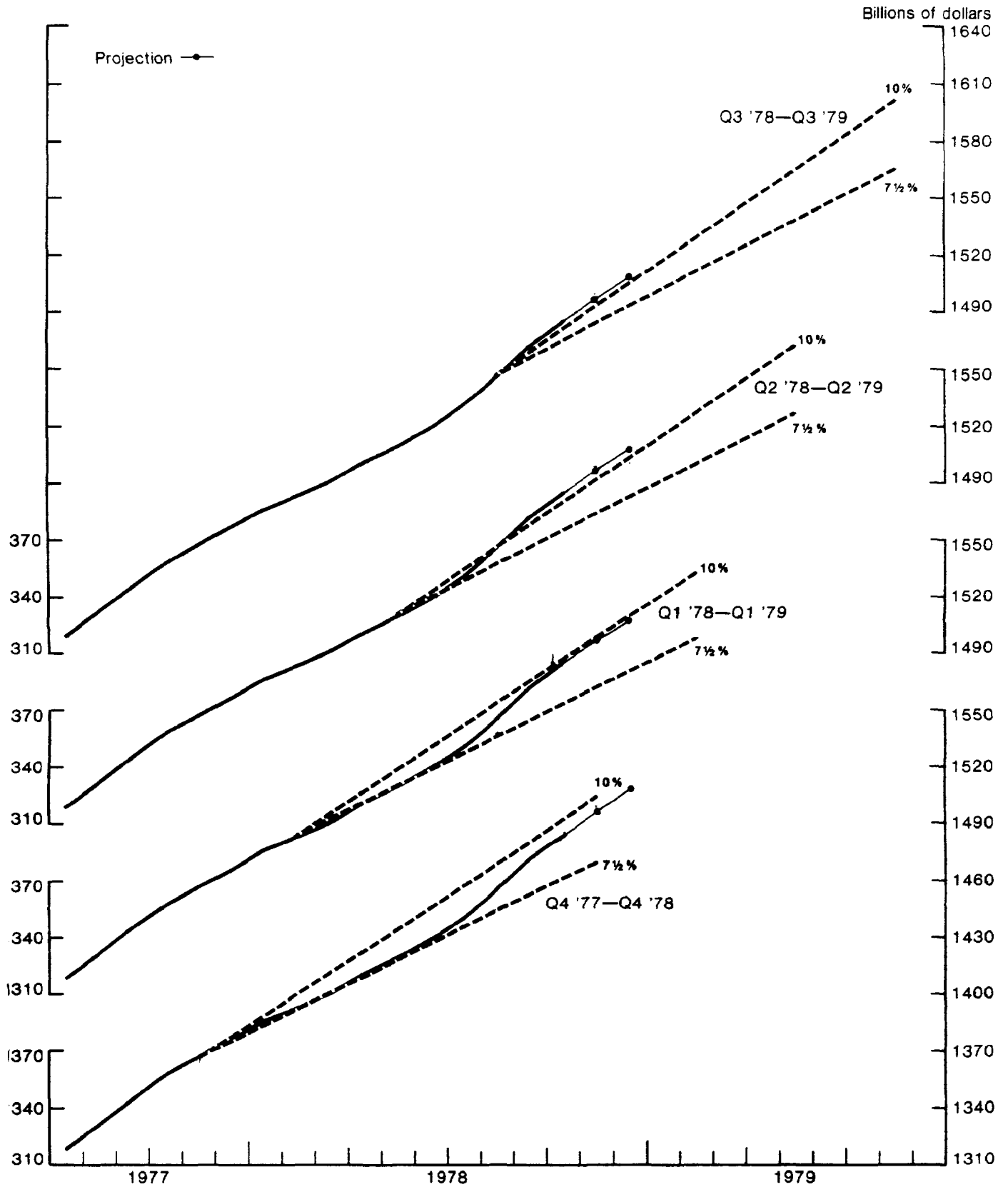


Chart 4

Recently Established Bank Credit Growth Ranges and Actual Bank Credit

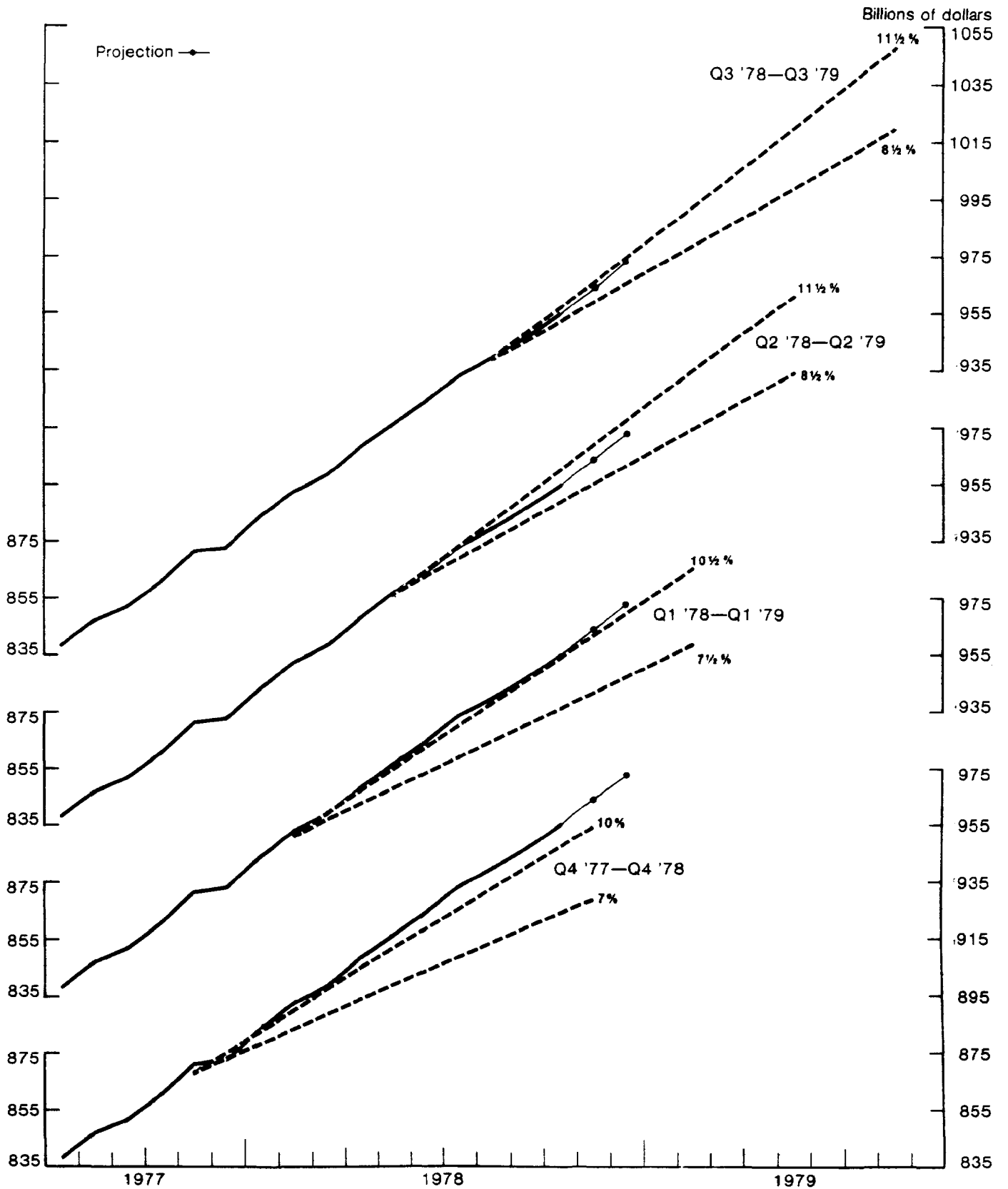
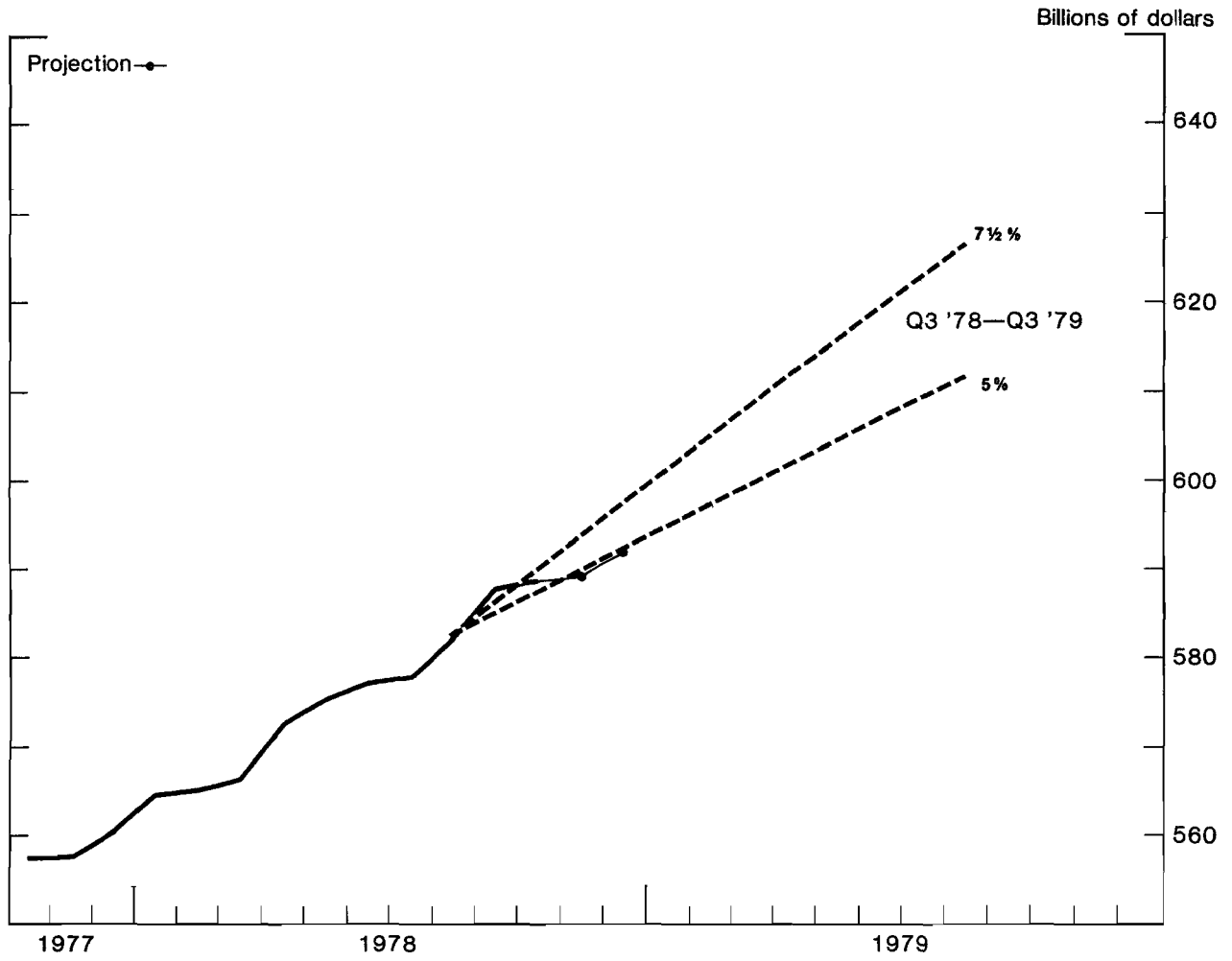


CHART 5

Recently Established M-1+ Growth Range and Actual M-1+



Appendix I

Projected Federal Funds Rate

		<u>Alt. A</u>	<u>Alt. B</u>
1978	QIV	9½ to 9¾	9½ to 10
1979	QI	9¾ to 10	9¾ to 10½
	QII	9 to 10½	9 to 10½
	QIII	9 to 10½	8¾ to 10

APPENDIX II

Implied Velocity Growth Rate

	<u>Alt. A</u>	<u>Alt. B</u>
<u>V-1 (GNP/M-1)</u>		
1978--III	2.6	2.6
IV	4.4 (3.3)	4.6 (3.4)
1979--I	8.5 (4.6)	8.9 (5.0)
II	7.5 (3.9)	7.2 (3.7)
III	5.6 (2.3)	5.3 (2.1)
 <u>V-1+ (GNP/M-1+)</u>		
1978--III	5.0	5.0
IV	5.7	5.9
1979--I	5.9	6.3
II	4.0	3.9
III	2.5	2.2
 <u>V-2 (GNP/M-2)</u>		
1978--III	1.3	1.3
IV	1.6	1.9
1979--I	3.2	3.5
II	1.9	1.9
III	0.9	0.5

Note: Figures in parentheses reflect V-1 velocity without ATS.

Appendix Table III-1
MONEY STOCK--M-1
(Annual rates of growth, compounded quarterly)^{1/}

Ending Period	Base Period															
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>	<u>78III</u>
1975 I	2.1															
II	4.3	6.5														
III	5.2	6.7	7.0													
IV	4.6	5.4	4.9	2.9												
1976 I	4.6	5.3	4.8	3.8	4.7											
II	5.0	5.6	5.4	4.9	5.9	7.0										
III	4.9	5.3	5.1	4.6	5.2	5.4	3.9									
IV	5.2	5.7	5.5	5.2	5.8	6.2	5.8	7.7								
1977 I	5.4	5.8	5.8	5.6	6.1	6.4	6.2	7.4	7.2							
II	5.7	6.1	6.1	6.0	6.5	6.9	6.8	7.8	7.9	8.6						
III	6.0	6.4	6.3	6.3	6.8	7.1	7.1	7.9	8.0	8.4	8.3					
IV	6.1	6.5	6.5	6.4	6.9	7.2	7.2	7.9	7.9	8.2	8.0	7.7				
1978 I	6.1	6.5	6.5	6.4	6.8	7.1	7.1	7.6	7.6	7.7	7.4	7.0	6.3			
II	6.4	6.8	6.8	6.8	7.2	7.4	7.5	8.0	8.1	8.2	8.1	8.1	8.3	10.3		
III	6.5	6.8	6.9	6.9	7.2	7.5	7.5	8.0	8.0	8.2	8.1	8.0	8.2	9.1	7.9	
	* * * * *															
1979 III																
Alt. A	5.8	6.0	6.0	5.9	6.1	6.2	6.2	6.4	6.2	6.1	5.9	5.6	5.3	5.1	4.1	3.2
Alt. B	5.8	6.0	6.0	5.9	6.1	6.2	6.2	6.4	6.2	6.1	5.9	5.6	5.3	5.1	4.1	3.2

^{1/} Based on quarterly average data.

Appendix Table III-2

MONEY STOCK--M-1+
(Annual rates of growth, compounded quarterly)^{1/}

Ending Period	Base Period															
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>	<u>78III</u>
1975 I	5.3															
II	8.5	11.9														
III	9.4	11.6	11.3													
IV	8.8	10.0	9.1	6.9												
1976 I	9.8	11.0	10.7	10.4	14.1											
II	10.5	11.6	11.5	11.5	13.9	13.8										
III	10.1	10.9	10.7	10.6	11.8	10.7	7.7									
IV	10.7	11.5	11.4	11.5	12.6	12.2	11.3	15.1								
1977 I	11.0	11.7	11.7	11.8	12.8	12.4	12.0	14.1	13.2							
II	10.8	11.4	11.3	11.3	12.1	11.7	11.2	12.4	11.1	8.9						
III	10.5	11.1	11.0	10.9	11.5	11.1	10.6	11.3	10.1	8.6	8.2					
IV	10.2	10.7	10.6	10.5	11.0	10.5	10.0	10.4	9.3	8.0	7.6	7.0				
1978 I	9.8	10.2	10.1	9.9	10.3	9.8	9.2	9.5	8.4	7.3	6.7	6.0	5.0			
II	9.6	10.0	9.8	9.7	9.9	9.5	9.0	9.1	8.2	7.2	6.8	6.3	6.0	7.0		
III	9.3	9.6	9.5	9.3	9.5	9.1	8.6	8.7	7.8	6.9	6.5	6.1	5.8	6.2	5.4	
	* * * * *															
1979 III																
Alt. A	8.5	8.6	8.4	8.3	8.4	8.0	7.5	7.5	6.8	6.2	5.9	5.7	5.5	5.6	5.3	5.2
Alt. B	8.4	8.6	8.4	8.3	8.3	7.9	7.5	7.5	6.8	6.2	5.9	5.6	5.4	5.5	5.2	5.2

^{1/} Based on quarterly average data.

Appendix Table III-3
MONEY STOCK--M-2
(Annual rates of growth, compounded quarterly)^{1/}

Ending Period	Base Period															
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>	<u>78III</u>
1975 I	6.4															
II	8.3	10.2														
III	8.9	10.2	10.3													
IV	8.4	9.1	8.6	6.9												
1976 I	8.9	9.6	9.4	9.0	11.1											
II	9.2	9.7	9.6	9.4	10.7	10.3										
III	9.2	9.6	9.5	9.3	10.2	9.7	9.0									
IV	9.7	10.2	10.1	10.1	10.9	10.9	11.2	13.3								
1977 I	9.8	10.2	10.3	10.3	11.0	11.0	11.2	12.3	11.2							
II	9.8	10.2	10.2	10.2	10.8	10.7	10.8	11.4	10.4	9.5						
III	9.9	10.2	10.2	10.2	10.7	10.6	10.7	11.1	10.3	9.9	10.2					
IV	9.7	10.0	10.0	10.0	10.4	10.3	10.3	10.5	9.8	9.4	9.3	8.3				
1978 I	9.5	9.8	9.7	9.7	10.0	9.9	9.8	9.9	9.3	8.8	8.5	7.7	7.0			
II	9.4	9.7	9.6	9.5	9.8	9.7	9.6	9.7	9.1	8.6	8.4	7.8	7.6	8.2		
III	9.4	9.6	9.6	9.5	9.8	9.6	9.6	9.6	9.1	8.7	8.6	8.2	8.1	8.7	9.2	
	* * * * *															
1979 III																
Alt. A	9.1	9.3	9.2	9.1	9.3	9.2	9.1	9.1	8.7	8.4	8.3	8.1	8.1	8.2	8.3	8.0
Alt. B	9.1	9.2	9.2	9.1	9.3	9.1	9.1	9.1	8.7	8.4	8.3	8.1	8.0	8.2	8.2	8.0

^{1/} Based on quarterly average data.

Appendix Table III-4

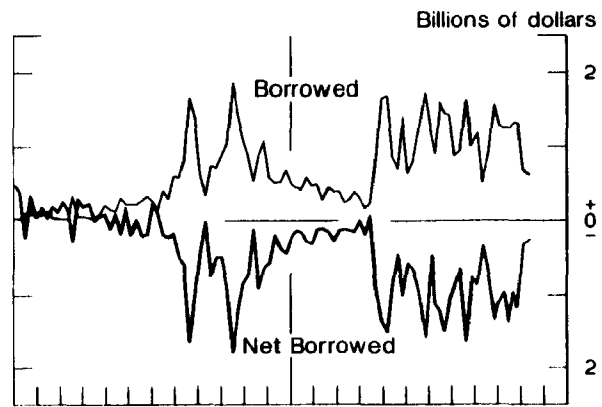
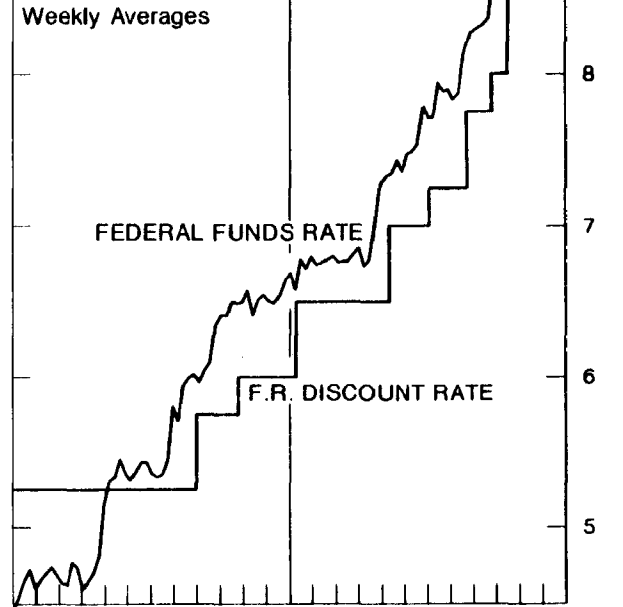
MONEY STOCK--M-3
 (Annual rates of growth, compounded quarterly)^{1/}

Ending Period	Base Period															
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>	<u>78III</u>
1975 I	8.3															
II	10.6	13.0														
III	11.6	13.2	13.5													
IV	11.1	12.1	11.6	9.8												
1976 I	11.4	12.2	12.0	11.2	12.7											
II	11.6	12.2	12.0	11.6	12.5	12.3										
III	11.5	12.1	11.9	11.5	12.1	11.8	11.3									
IV	12.0	12.5	12.4	12.2	12.8	12.9	13.2	15.0								
1977 I	12.1	12.5	12.5	12.3	12.8	12.8	13.0	13.9	12.8							
II	11.9	12.3	12.2	12.1	12.4	12.4	12.4	12.8	11.7	10.7						
III	12.0	12.3	12.3	12.1	12.4	12.4	12.4	12.7	12.0	11.6	12.5					
IV	11.9	12.2	12.1	12.0	12.3	12.2	12.2	12.4	11.7	11.4	11.8	11.1				
1978 I	11.6	11.9	11.8	11.6	11.8	11.7	11.6	11.6	11.0	10.5	10.5	9.5	7.9			
II	11.3	11.6	11.4	11.3	11.4	11.3	11.1	11.1	10.5	10.0	9.9	9.0	8.0	8.0		
III	11.3	11.5	11.4	11.2	11.3	11.2	11.1	11.0	10.5	10.1	10.0	9.3	8.8	9.2	10.4	
	* * * * *															
1979 III																
Alt A	10.9	11.0	10.9	10.8	10.8	10.7	10.6	10.5	10.1	9.8	9.7	9.4	9.2	9.4	9.7	9.5
Alt B	10.9	11.0	10.9	10.7	10.8	10.7	10.5	10.5	10.1	9.8	9.7	9.4	9.1	9.3	9.6	9.4

^{1/} Based on quarterly average data.

Money Market Conditions and Interest Rates

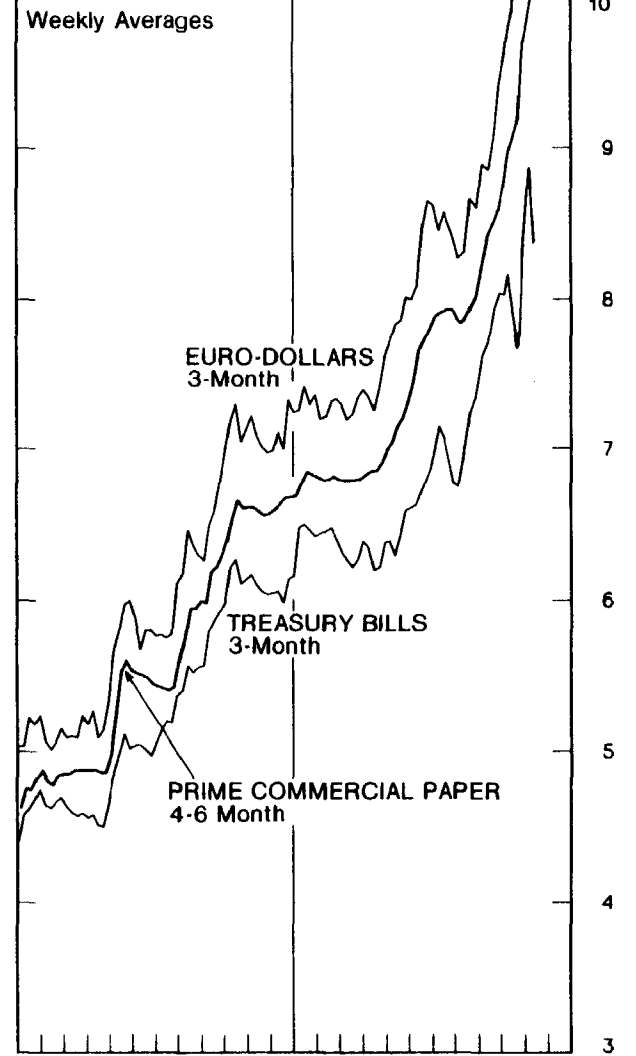
MONEY MARKET CONDITIONS



1977

1978

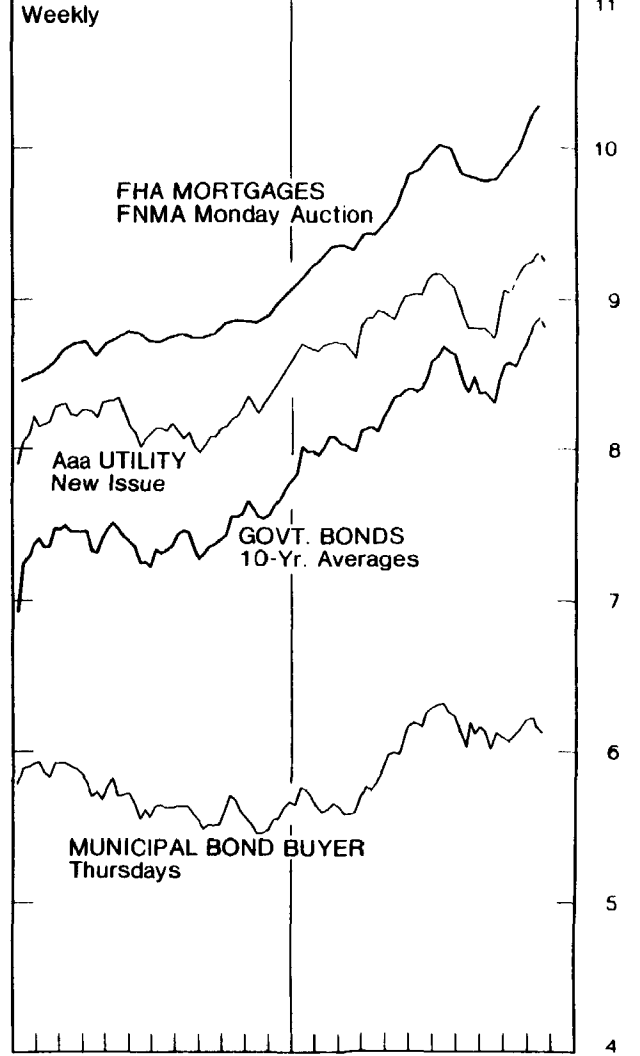
INTEREST RATES Short-term



1977

1978

INTEREST RATES Long-term



1977

1978

Table 1
MONETARY AGGREGATES
 ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

CONFIDENTIAL (FR)
 CLASS II-FOMC
 NOV. 17, 1978

Period	Money Supply		Total U.S. Govt. Deposits 1/	Time & Savings Deposits			CD's	Nondeposit Sources of Funds 2/	
	Narrow (M1)	Broad (M2)		Total	Other Than CD's				
					Total	Savings			Other
	1	2	3	4	5	6	7	8	9
MONTHLY LEVELS--\$BIL									
1978--AUG.	356.7	853.5	14.9	583.0	496.7	222.4	274.3	86.3	71.3
SEPT.	360.9	862.4	15.7	589.7	501.6	224.2	277.4	88.1	72.8
OCT.	361.9	867.2	19.7	593.6	505.4	223.9	281.5	88.2	78.1
NOV.	(362.6)	(873.0)	(19.0)	(605.7)	(510.5)	(223.7)	(286.8)	(95.2)	
% ANNUAL GROWTH									
QUARTERLY									
1978--1ST QTR.	5.2	6.5		12.5	7.4	2.6	11.5	43.2	
2ND QTR.	11.5	8.8		9.1	6.8	1.3	11.4	22.9	
3RD QTR.	9.2	10.4		10.6	11.3	4.5	17.0	6.5	
QUARTERLY--AV									
1978--1ST QTR.	6.2	6.9		12.8	7.3	2.6	11.4	50.0	
2ND QTR.	9.9	7.9		10.1	6.4	1.6	10.5	32.8	
3RD QTR.	7.6	8.9		9.5	10.0	1.3	17.3	7.5	
MONTHLY									
1978--AUG.	6.5	10.4		7.5	11.5	8.1	14.2	-15.1	
SEPT.	14.1	12.5		13.8	11.8	9.7	13.6	25.0	
OCT.	3.3	6.7		7.9	9.1	-1.6	17.7	1.4	
NOV.	(2.3)	(8.0)		(24.5)	(12.1)	(-1.1)	(22.6)	(95.2)	
OCT.--NOV.	(2.8)	(7.4)		(16.3)	(10.6)	(-1.3)	(20.3)	(48.4)	
WEEKLY LEVELS--\$BIL									
1978--OCT. 4	360.2	864.5	16.4	591.2	504.2	224.5	279.8	87.0	73.7
11	364.3	869.4	19.9	591.5	505.1	224.5	280.7	86.4	76.1
18	364.3	869.3	22.8	592.0	505.0	224.0	281.0	87.0	78.3
25	358.8	865.1	20.8	595.3	506.3	223.7	282.6	89.0	78.9
NOV. 1 P	361.0	868.1	18.6	598.9	507.1	223.0	284.1	91.8	81.9
8 P	362.1	870.5	20.1	602.4	508.4	222.8	285.6	93.9	

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. P - PRELIMINARY
 1/ INCLUDES TREASURY DEPOSITS AT MEMBER BANKS AND FEDERAL RESERVE BANKS.
 2/ INCLUDES BORROWINGS FROM OTHER THAN COMMERCIAL BANKS IN THE FORM OF FEDERAL FUNDS PURCHASED, SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE, AND OTHER LIABILITIES FOR BORROWED MONEY, PLUS GROSS LIABILITIES TO OWN FOREIGN BRANCHES (EURODOLLAR BORROWINGS), LOANS SOLD TO AFFILIATES, LOAN RPS, AND OTHER MINOR ITEMS.

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

CONFIDENTIAL (FR)
CLASS II FOMC

SEASONALLY ADJUSTED EXCEPT AS NOTED

NOV. 17, 1978

Period	Total Time and Savings	Savings Deposits				Time Deposits			Memo Large Negotiable CD's
		Total	Individual and Nonprofit	Business (NSA)	Government (NSA)	Total	Large Denomination	Small Denomination	
	1	2	3	4	5	6	7	8	9
OUTSTANDING (\$ BILLIONS)									
1978--FEB.	556.7	220.9	205.2	10.5	5.2	335.8	170.4	165.4	79.4
MAR.	561.7	221.0	205.8	10.5	4.7	340.8	174.3	166.5	82.0
APR.	565.2	221.6	206.3	10.6	4.7	343.6	176.1	167.5	83.4
MAY	571.6	222.0	206.5	10.7	4.8	349.7	181.2	168.5	87.1
JUNE	574.5	221.7	206.1	10.8	4.9	352.8	182.7	170.1	86.7
JULY	579.4	220.9	206.0	10.6	4.2	358.5	187.2	171.3	87.4
AUG.	583.0	222.4	207.7	10.8	4.0	360.6	188.7	171.9	86.3
SEPT.	589.7	224.2	209.2	11.0	4.0	365.5	191.9	173.6	88.1
OCT.	593.6	223.9	208.7	11.0	4.2	369.7	192.8	176.9	88.2
CHANGES (\$ BILLIONS)									
1977 YEAR	55.3	17.7	16.9	2.3	-1.6	37.7	23.9	13.8	11.3
QUARTERLY AVERAGE:									
1977--III	13.1	3.9	4.7	0.4	-1.2	9.2	5.9	3.3	0.7
IV	17.0	2.9	3.3	0.3	-0.6	14.1	12.7	1.3	7.1
1978--I	17.3	1.4	1.2	-0.2	0.3	16.0	14.5	1.5	8.8
II	14.1	0.9	0.9	0.2	-0.2	13.2	10.4	2.8	6.5
III	13.6	0.7	1.3	0.1	-0.7	12.8	9.3	3.6	1.6
MONTHLY AVERAGE:									
1978--MAR.	5.0	0.1	0.6	0.0	-0.5	5.0	3.9	1.1	2.6
APR.	3.5	0.6	0.5	0.1	0.0	2.8	1.8	1.0	1.4
MAY	6.4	0.4	0.2	0.1	0.1	6.1	5.1	1.0	3.7
JUNE	2.9	-0.3	-0.4	0.1	0.1	3.1	1.5	1.6	-0.4
JULY	4.9	-0.8	-0.1	-0.2	-0.7	5.7	4.5	1.2	0.7
AUG.	3.6	1.5	1.7	0.2	-0.2	2.1	1.5	0.6	-1.1
SEPT.	6.7	1.8	1.5	0.2	0.0	4.9	3.2	1.7	1.8
OCT.	3.9	-0.3	-0.5	0.0	0.2	4.2	0.9	3.3	0.1

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

TABLE 2
BANK RESERVES
ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

NOV. 17, 1978

Period	BANK RESERVES			REQUIRED RESERVES			
	Total Reserves	Nonborrowed Reserves	Monetary Base	Total Required	Private Demand	Total Time Deposits	Gov't. and Interbank
	1	2	3	4	5	6	7
MONTHLY LEVELS--\$MILLIONS							
1978--AUG.	40,835	39,696	138,240	40,668	22,578	16,552	1,538
SEPT.	41,110	40,050	139,688	40,917	22,845	16,578	1,394
OCT.	41,377	40,099	140,721	41,200	23,059	16,557	1,584
NOV.	(41,384)	(40,718)	(141,455)	(41,094)	(22,721)	(16,891)	(1,523)
PERCENT ANNUAL GROWTH							
QUARTERLY							
1978--1ST QTR.	6.3	8.9	8.0	6.2	-0.2	12.9	
2ND QTR.	11.4	3.7	10.4	11.7	13.1	10.1	
3RD QTR.	4.6	5.0	8.5	4.4	8.3	4.5	
QUARTERLY-AV							
1978--1ST QTR.	8.8	14.4	9.7	8.6	4.3	12.9	
2ND QTR.	6.6	1.1	8.1	7.2	5.0	11.5	
3RD QTR.	8.2	6.1	9.0	8.2	9.5	6.6	
MONTHLY							
1978--AUG.	-8.3	-3.2	4.2	-7.4	5.1	1.1	
SEPT.	8.1	10.7	12.6	7.3	14.2	9.1	
OCT.	7.8	1.5	8.9	8.3	11.2	-8.7	
NOV.	(0.2)	(18.5)	(6.3)	(-3.1)	(-17.6)	(21.3)	
OCT-NOV.	(4.0)	(10.0)	(7.6)	(2.6)	(-3.3)	(6.2)	
WEEKLY LEVELS--\$MILLIONS							
1978-OCT. 4	41,610	40,324	140,665	41,487	22,949	16,774	1,764
11	41,471	40,232	140,362	41,121	22,973	16,573	1,575
18	41,459	40,209	140,857	41,578	22,864	16,551	2,163
25	41,156	39,842	140,476	40,789	23,194	16,487	1,109
NOV. 1	41,276	39,967	141,305	41,138	23,302	16,482	1,355
8	41,253	40,555	140,329	40,856	22,560	16,642	1,653

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^{1/}
(\$ million, not seasonally adjusted)

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
NOVEMBER 17, 1978

	Treasury Bills Net Change ^{2/}	Treasury Coupons Net Purchases ^{3/}					Federal Agencies Net Purchases ^{4/}					Net Change Outright Holdings Total ^{5/}	Net RP's ^{6/}
		Within 1 year	1 - 5	5 - 10	Over 10	Total	Within 1 year	1 - 5	5 - 10	Over 10	Total		
1972	-490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	-46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	-154
1975	-468	337	3,284	1,510	1,070	6,202	191	824	460	138	1,613	7,267	1,272
1976	863	472	3,025	1,048	642	5,187	105	469	203	114	891	6,227	3,607
1977	4,361	517	2,833	758	553	4,660	--	792	428	213	1,433	10,035	-2,892
1977--Qtr. III	886	116	681	96	128	1,021	--	--	--	--	--	4,273	-2,331
Qtr. IV	186	99	628	166	108	1,001	--	386	177	145	707	-643	34
1978--Qtr. I	-2,655	345	1,123	459	247	2,175	--	--	--	--	--	-555	-1,133
Qtr. II	5,444	288	1,156	468	334	2,246	46	127	104	24	301	7,930	1,224
Qtr. III	3,152	340	774	349	235	1,697	-92	-81	--	--	-173	4,632	266
1978--May	-620	53	290	101	74	519	--	--	--	--	--	-135	-699
June	4,395	135	631	176	115	1,057	46	127	104	24	301	5,724	2,950
July	235	--	--	--	--	--	--	--	--	--	--	231	-2,536
Aug.	283	171	424	238	113	947	-92	-81	--	--	-173	1,043	1,701
Sept.	2,635	168	350	110	122	751	--	--	--	--	--	3,358	1,102
Oct.	-170	73	507	87	139	807	--	--	--	--	--	625	-1,594
1978--Sept. 6	--	--	--	--	--	--	--	--	--	--	--	-6	-7,473
13	--	--	--	--	--	--	--	--	--	--	--	-22	2,869
20	634	--	--	--	--	--	--	--	--	--	--	634	145
27	2,001	168	350	110	122	751	--	--	--	--	--	2,751	5,729
Oct. 4	721	--	--	--	--	--	--	--	--	--	--	712	-6,270
11	100	--	--	--	--	--	--	--	--	--	--	100	5,822
18	--	73	507	87	139	807	--	--	--	--	--	807	-6,962
25	--	--	--	--	--	--	--	--	--	--	--	-3	6,923
Nov. 1	-1,667	--	--	--	--	--	--	--	--	--	--	-1,672	-1,809
8	-2,052	--	--	--	--	--	--	--	--	--	--	-2,052	-6,663
15	-923	--	--	--	--	--	--	--	--	--	--	-923	1,783
22p		139	628	163	108	1,037							
29													
LEVEL--Nov. 15	45.1	10.0	31.2	14.6	10.6	66.3	1.9	3.7	1.5	.9	7.9	119.3	-3.2

(in billions)

- ^{1/} Change from end-of-period to end-of-period.
^{2/} Outright transactions in market and with foreign accounts, and redemptions (-) in bill auctions.
^{3/} Outright transactions in market and with foreign accounts, and short-term notes acquired in exchange for maturing bills. Excludes redemptions, maturity shifts, rollovers of maturing coupon issues, and direct Treasury borrowing from the System.
^{4/} Outright transactions in market and with foreign accounts only. Excludes redemptions and maturity shifts.
^{5/} In addition to net purchases of securities, also reflects changes in System holdings of bankers' acceptances, direct Treasury borrowings from the System, and redemptions (-) of Agency and Treasury coupon issues.
^{6/} Includes changes in both RP's (+) and matched sale-purchase transactions (-).

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

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
NOVEMBER 17, 1978

	U.S. Govt. Security Dealer Positions		Underwriting Syndicate Positions		Excess** Reserves	Member Bank Reserve Positions			
	Bills	Coupon Issues	Corporate Bonds	Municipal Bonds		Borrowing at FRB**		Basic Reserve Deficit**	
						Total	Seasonal	8 New York	38 Others
1977--High	7,234	3,017	295	487	513	1,861	131	-9,151	-13,975
Low	1,729	-1,445	0	116	-111	20	8	-4,234	- 8,206
1978--High	5,625	2,043	215	349	719	1,716	220	-8,224	-14,602
Low	278	-1,076	0	107	-227	172	25	-2,839	- 8,273
1977--Oct.	4,142	-360	83	186	210	1,305	112	-6,480	-11,511
Nov.	3,617	610	36	210	251	863	83	-6,971	-11,825
Dec.	4,257	804	195	367	193	570	55	-7,403	-11,350
1978--Jan.	4,127	327	42	293	268	484	32	-6,047	-12,299
Feb.	3,418	1,492	24	197	243	406	49	-4,980	-12,603
Mar.	2,713	740	96	268	200	328	47	-6,778	-11,060
Apr.	3,183	-183	46	202	149	557	44	-6,196	-12,998
May	1,203	5	25	264	219	1,212	92	-4,038	-11,653
June	2,847	78	35	188	178	1,094	120	-4,514	-12,202
July	1,196	-626	51	159	197	1,317	143	-3,651	-10,204
Aug.	1,994	423	34	176	168	1,139	189	-4,793	-11,089
Sept.	2,571	125	49	95	193	1,060	191	-5,098	-11,357
Oct.	*1,495	*-309	16	156	181p	1,278p	223p	-4,651	-11,551
1978--Sept. 6	2,338	352	15	139	305	1,165	186	-4,707	-11,622
13	3,086	455	90	57	113	510	174	-5,502	-13,362
20	3,606	52	92	117	175	923	189	-4,971	-11,031
27	1,533	-297	0	67	223	1,560	205	-5,122	- 9,861
Oct. 4	1,676	-19	35	126	123	1,286	213	-5,173	-10,398
11	1,393	-369	5	148	367	1,239	209	-6,292	-12,406
18	1,507	-528	24	236	-119	1,250	220	-4,918	-13,059
25	*1,255	*-290	0	113	367p	1,314p	236p	-3,139	-10,731
Nov. 1	*1,786	*12	3	113	138p	1,309p	234p	-3,843	-10,522
8	*1,639	*1,032	0	107	397p	698p	190p	-4,331p	-12,323p
15	*1,660	*687	30p	90p	363p	632p	189p	-5,009p	-13,512p
22									
29									

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
NOVEMBER 17, 1978

	Short-Term							Long-Term								
	Federal Funds	Treasury Bills			CD's New Issue- NYC 90-Day	Comm. Paper 90-119 Day	Bank Prime Rate	U.S. Govt.-Constant Maturity Yields			Corp.-Aaa Utility		Municipal Bond Buyer	Home Mortgages		
		Market	1-yr	Auction				3-yr	7-yr	20-yr	New Issue	Recently Offered		Primary Conv.	Secondary FNMA Auc.	Market GNMA Sec.
					(1)	(2)	(3)						(4)			
1977--High	6.65	6.27	6.62	6.51	6.70	6.66	7.75	7.39	7.70	7.99	8.36	8.48	5.93	9.00	8.98	8.39
Low	4.47	4.41	4.67	4.56	4.50	4.63	6.25	5.83	6.59	7.26	7.90	7.95	5.45	8.65	8.46	7.56
1978--High	9.77	8.85	9.28	9.42	10.25	10.24	10.75	9.12	8.84	8.81	9.30	9.31	6.32	10.05	10.27	9.32
Low	6.58	6.16	6.55	6.42	6.65	6.68	7.75	7.40	7.72	8.01	8.61	8.48	5.58	8.98	9.13	8.43
1977--Oct.	6.47	6.16	6.52	6.41	6.53	6.51	7.52	7.19	7.44	7.71	8.23	8.22	5.64	8.92	8.82	8.16
Nov.	6.51	6.10	6.52	6.43	6.56	6.54	7.75	7.22	7.46	7.76	8.28	8.25	5.49	8.92	8.86	8.19
Dec.	6.56	6.07	6.52	6.38	6.65	6.61	7.75	7.30	7.59	7.87	8.34	8.38	5.57	8.96	8.94	8.27
1978--Jan.	6.70	6.44	6.80	6.68	6.82	6.75	7.93	7.61	7.86	8.14	8.68	8.60	5.71	9.02	9.17	8.56
Feb.	6.78	6.45	6.86	6.74	6.77	6.76	8.00	7.67	7.94	8.22	8.69	8.67	5.62	9.15	9.31	8.64
Mar.	6.79	6.29	6.82	6.64	6.73	6.75	8.00	7.70	7.95	8.21	8.71	8.67	5.61	9.20	9.35	8.60
Apr.	6.89	6.29	6.96	6.70	6.84	6.82	8.00	7.85	8.06	8.32	8.90	8.85	5.80	9.36	9.44	8.71
May	7.36	6.41	7.28	7.02	7.20	7.06	8.27	8.07	8.25	8.44	8.95	8.98	6.03	9.57	9.66	8.90
June	7.60	6.73	7.53	7.20	7.66	7.59	8.63	8.30	8.40	8.53	9.09	9.07	6.22	9.70	9.91	9.05
July	7.81	7.01	7.79	7.47	8.00	7.85	9.00	8.54	8.55	8.69	9.14	9.18	6.28	9.74	10.01	9.15
Aug.	8.04	7.08	7.73	7.36	7.86	7.83	9.01	8.33	8.38	8.45	8.82	8.91	6.12	9.79	9.81	8.86
Sept.	8.45	7.85	8.01	7.95	8.34	8.39	9.41	8.41	8.42	8.47	8.86	8.86	6.09	9.76	9.79	8.95
Oct.	8.96	7.99	8.45	8.49	9.12	8.98	9.94	8.62	8.64	8.69	9.16p	9.13p	6.13	9.86	10.03	9.17
1978--Sept. 6	8.30	7.60	7.86	7.74	8.00	8.07	9.25	8.35	8.35	8.39	8.77	8.79	6.13	9.75	9.78	8.92
13	8.33	7.70	7.91	7.79	8.34	8.30	9.25	8.34	8.33	8.36	8.74	8.73	6.02	9.75	--	8.89
20	8.36	7.92	8.02	7.98	8.50	8.45	9.50	8.45	8.46	8.49	8.90	8.92	6.12	9.75	9.79	8.90
27	8.62	8.04	8.15	8.28	8.50	8.52	9.50	8.49	8.54	8.61	9.06	9.00	6.09	9.78	--	9.10
Oct. 4	8.85	8.03	8.19	8.38	8.75	8.64	9.75	8.50	8.56	8.64	9.04	9.04	6.07	9.85	9.91	9.13
11	8.71	8.17	8.27	8.42	9.13	8.83	9.75	8.47	8.52	8.61	--	9.03	6.10	9.85	--	9.07
18	8.78	7.91	8.37	8.56	9.21	8.97	10.00	8.57	8.63	8.67	9.19	9.15	6.14	9.85	9.98	9.10
25	9.24	7.67	8.48	8.61	9.38	9.09	10.00	8.69	8.69	8.73	9.23	9.24	6.21	9.88	--	9.20
Nov. 1	9.29	8.35	8.92	8.98	10.00	9.33	10.25	9.12	8.82	8.80	9.25	9.28	6.22	9.90	10.20	9.32r
8	9.77	8.85	9.28	9.42	10.00	10.01	10.61	9.10	8.84	8.80	9.30	9.30	6.17	10.05	--	9.17r
15	9.68	8.38	9.22	9.29	10.25	10.24	10.75	8.98p	8.77p	8.73p	9.26p	9.25p	6.11	n.a.	10.27	9.18
22																
29																
Daily--Nov. 2	9.89	8.76	9.22	--	--	9.81	10.50	9.07	8.72	8.72	--	--	--	--	--	--
9	9.75	8.82	9.38	--	--	10.18	10.75	9.11	8.85	8.81	--	--	--	--	--	--
16	9.72p	8.17	9.02	--	--	10.31	10.75	8.88p	8.70p	8.69p	--	--	--	--	--	--

NOTE: Weekly data for columns 1, 2, 3, 6, and 7 are statement week averages of daily data. Weekly data in column 4 are average rates set in the auctions of 6-month bills that will be issued on the Thursday following the end of the statement week. Data in column 5 are 1-day Wednesday quotes. For columns 8 through 11, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 12 and 13 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 14 is an average of contract interest rates on commitments for conventional first mortgages with 80 per cent loan-to-value ratios made by a sample of insured savings and loan associations on the Friday following the end of the statement week. Column 15 gives FNMA auction 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
(PER CENT ANNUAL RATES OF GROWTH)											
^{2/} ANNUALLY:											
1975	-0.6	2.6	5.6	3.9	4.6	8.4	11.1	6.6	9.7	10.5	9.8
1976	0.5	0.6	6.7	8.0	5.8	10.9	12.8	7.1	10.3	9.9	10.0
1977	5.3	3.1	8.3	11.3	7.9	9.8	11.7	10.1	11.8	11.6	11.6
^{2/} SEMI-ANNUALLY:											
1ST HALF 1977	3.8	3.2	7.3	11.3	7.8	10.1	11.4	9.4	10.8	10.2	10.4
2ND HALF 1977	6.8	2.9	9.0	10.7	7.8	9.1	11.4	10.3	12.1	12.3	12.4
1ST HALF 1978	7.8	7.8	9.0	11.4	8.1	7.4	7.8	10.3	9.5	9.5	10.9
QUARTERLY:											
4TH QTR. 1977	7.5	8.2	9.6	9.5	6.6	7.2	9.3	11.5	11.8	12.0	12.7
1ST QTR. 1978	6.3	8.9	8.0	9.5	5.2	6.5	7.0	9.6	8.9	8.9	10.5
2ND QTR. 1978	11.4	3.7	10.4	13.5	11.5	8.8	8.4	10.0	9.2	9.1	10.2
3RD QTR. 1978	4.6	5.0	8.5	10.7	9.2	10.4	11.8	10.0	11.5	10.4	10.3
QUARTERLY-AV:											
4TH QTR. 1977	6.3	3.8	9.1	9.9	7.5	8.1	10.6	10.8	12.2	12.7	12.7
1ST QTR. 1978	8.8	14.4	9.7	9.6	6.2	6.9	7.7	10.3	9.8	9.9	11.3
2ND QTR. 1978	6.6	1.1	8.1	13.0	9.9	7.9	7.8	10.1	9.1	8.9	10.2
3RD QTR. 1978	8.2	6.1	9.0	11.0	7.6	8.9	10.0	8.8	9.9	8.9	9.3
MONTHLY:											
1977--OCT.	9.4	-12.2	9.9	12.9	10.5	9.5	11.6	12.4	13.3	13.9	13.9
NOV.	6.2	20.7	8.3	9.2	1.1	6.0	8.1	11.8	11.5	12.1	12.8
DEC.	6.7	16.1	10.5	6.3	8.2	6.1	7.9	9.9	10.1	9.7	11.0
1978--JAN.	14.9	17.8	13.4	13.6	11.3	9.5	9.2	11.8	10.6	11.3	12.7
FEB.	10.6	13.2	6.9	7.9	0.4	4.7	5.6	8.5	7.9	7.8	9.4
MAR.	-6.6	-4.3	3.4	6.9	3.9	5.1	6.2	8.3	8.0	7.4	9.0
APR.	8.9	2.0	7.7	18.5	19.6	11.2	9.5	11.9	10.2	10.2	11.4
MAY	10.2	-9.6	12.0	15.6	7.2	7.1	7.2	11.2	9.6	9.7	10.7
JUNE	14.9	19.0	11.1	6.0	7.5	7.8	8.4	6.6	7.6	7.2	8.2
JULY	14.0	7.6	8.5	16.7	4.8	8.0	9.3	8.2	9.3	7.5	8.0
AUG.	-8.3	-3.2	4.2	5.2	8.5	10.4	11.8	8.0	10.3	9.2	8.9
SEPT.	8.1	10.7	12.6	9.9	14.1	12.5	13.9	13.7	14.6	14.1	13.8
OCT. P	7.8	1.5	8.9	9.5	3.3	6.7	10.0	6.2	9.5	6.7	8.6

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

2/ BASED ON QUARTERLY AVERAGE DATA.

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:											
1975	36,666	36,536	113,042	726.2	295.2	664.7	1092.5	746.1	1173.8	1307.4	1350.7
1976	36,996	36,943	120,617	788.9	313.5	740.5	1236.5	803.2	1299.2	1437.6	1485.4
1977	38,903	38,333	130,731	875.5	338.5	809.5	1376.1	883.5	1450.1	1604.3	1660.5
MONTHLY:											
1977--OCT.	38,489	37,183	128,706	864.3	335.9	801.4	1357.9	867.8	1424.3	1575.5	1628.1
NOV.	38,687	37,825	129,593	870.9	336.2	805.4	1367.1	876.3	1438.0	1591.4	1645.4
DEC.	38,903	38,333	130,731	875.5	338.5	809.5	1376.1	883.5	1450.1	1604.3	1660.5
1978--JAN.	39,385	38,901	132,194	885.4	341.7	815.9	1386.6	892.2	1462.9	1619.4	1678.1
FEB.	39,734	39,328	132,958	891.2	341.8	819.1	1393.1	898.5	1472.5	1629.9	1691.3
MAR.	39,514	39,186	133,330	896.7	342.9	822.6	1400.3	904.7	1482.3	1639.9	1704.0
APR.	39,808	39,251	134,191	910.5	348.5	830.3	1411.4	913.7	1494.9	1653.8	1720.2
MAY	40,148	38,936	135,535	922.3	350.6	835.2	1419.9	922.2	1506.9	1667.1	1735.5
JUNE	40,645	39,551	136,792	926.9	352.8	840.6	1429.8	927.3	1516.5	1677.1	1747.4
JULY	41,119	39,801	137,760	939.8	354.2	846.2	1440.9	933.6	1528.3	1687.6	1759.1
AUG.	40,835	39,696	138,240	943.9	356.7	853.5	1455.1	939.8	1541.4	1700.5	1772.2
SEPT.	41,110	40,050	139,688	951.7	360.9	862.4	1472.0	950.5	1560.1	1720.5	1792.6
OCT. P	41,377	40,099	140,721	959.2	361.9	867.2	1484.3	955.4	1572.5	1733.0	1805.4
WEEKLY:											
1978--SEPT. 13	40,839	40,329	139,223		360.5	861.7		950.3			
20	40,817	39,894	139,364		361.1	862.6		951.8			
27	41,416	39,856	140,353		361.8	864.1		951.7			
OCT. 4	41,610	40,324	140,665		360.2	864.5		951.4			
11	41,471	40,232	140,362		364.3	869.4		955.8			
18	41,459	40,209	140,857		364.3	869.3		956.2			
25	41,156	39,842	140,476		358.8	865.1		954.1			
NOV. 1P	41,276	39,967	141,305		361.0	868.1		959.9			
8P	41,253	40,555	140,829		362.1	870.5		964.4			

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. DATA SHOWN IN MILLIONS OF DOLLARS.

P - PRELIMINARY

APPENDIX TABLE 2-A

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits				Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities ^{1/}	Other Private Short-term Assets ^{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)											
^{2/} ANNUALLY:												
1975	8.9	3.3	7.9	11.7	17.5	7.8	-6.4	15.3	19.5	6.2	33.6	-7.0
1976	9.6	4.6	8.0	15.0	25.0	7.4	-23.4	15.5	18.8	6.9	7.1	11.9
1977	9.5	7.4	11.4	11.2	11.1	11.4	12.8	14.2	19.4	6.6	12.6	13.4
^{2/} SEMI-ANNUALLY:												
1ST HALF 1977	8.7	7.4	10.4	11.9	15.3	8.9	0.6	12.9	16.6	6.4	2.6	15.9
2ND HALF 1977	9.8	7.1	11.8	10.0	6.4	13.3	24.9	14.5	20.6	6.5	22.3	10.1
1ST HALF 1978	9.6	7.7	11.7	6.9	2.1	11.1	43.5	7.5	17.4	6.3	12.0	51.9
^{2/} QUARTERLY:												
4TH QTR. 1977	10.7	5.4	14.5	7.7	1.5	13.5	64.0	11.6	18.8	6.9	23.5	32.2
1ST QTR. 1978	9.5	3.8	12.3	7.4	2.6	11.5	43.2	6.9	17.9	6.3	11.3	55.4
2ND QTR. 1978	9.3	12.0	9.1	6.8	1.3	11.4	22.9	7.3	14.7	5.7	9.5	39.3
3RD QTR. 1978	10.3	8.9	10.6	11.3	4.5	17.0	6.5	13.8	15.0	4.6	-5.4	9.7
^{2/} QUARTERLY-AV:												
4TH QTR. 1977	10.3	6.4	13.0	8.5	5.4	11.6	44.9	13.9	20.0	6.4	29.7	12.9
1ST QTR. 1978	10.5	5.0	12.8	7.3	2.6	11.4	50.0	8.1	18.2	6.3	16.2	52.3
2ND QTR. 1978	8.4	10.3	10.1	6.4	1.6	10.5	32.8	6.8	15.8	6.2	7.5	45.6
3RD QTR. 1978	9.6	7.0	9.5	10.0	1.3	17.3	7.5	11.4	13.6	4.6	-5.9	19.3
^{2/} MONTHLY:												
1977--OCT.	11.1	10.2	13.7	8.8	4.4	13.3	48.9	14.0	21.5	8.0	36.0	11.5
NOV.	8.3	-1.0	18.5	9.5	-1.1	18.0	81.3	11.0	15.8	6.3	25.4	31.9
DEC.	12.3	6.8	10.9	4.6	1.1	8.7	52.5	9.5	18.2	6.3	7.8	51.1
1978--JAN.	10.8	11.0	12.3	8.4	6.0	10.0	37.3	7.8	17.9	6.3	29.4	51.2
FEB.	9.4	-2.4	13.3	7.6	1.1	13.2	48.8	6.2	15.2	6.2	9.1	55.2
MAR.	8.0	2.9	10.8	6.0	0.5	10.8	39.3	6.6	20.0	6.2	-4.5	52.8
APR.	6.6	23.8	7.5	5.3	3.3	6.5	20.5	6.6	14.7	6.2	13.5	43.1
MAY	11.8	5.6	13.6	6.7	2.2	11.5	53.2	6.8	12.1	6.1	13.4	34.3
JUNE	9.1	6.5	6.1	8.2	-1.6	16.0	-5.5	8.3	16.8	4.6	1.5	36.9
JULY	6.5	4.6	10.2	10.3	-4.3	22.5	9.7	11.4	11.8	6.1	-25.0	17.0
AUG.	9.0	8.7	7.5	11.5	8.1	14.2	-15.1	14.1	11.7	3.0	-6.0	3.4
SEPT.	15.3	13.2	13.8	11.8	9.7	13.6	25.0	15.5	20.9	4.5	15.1	8.4
OCT. P	10.1	0.9	7.9	9.1	-1.6	17.7	1.4	14.4	18.3	3.0	-1.5	5.0

^{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

NOV. 17, 1978

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/}	Other Private Short-term Assets ^{1/ 2/}	Non-Deposit Funds ^{3/}	Total Gov't Demand Deposits ^{4/}	
			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:														
1975	73.7	221.5	450.9	369.6	160.5	209.1	81.3	394.8	33.0	67.2	66.3	43.3	34.4	8.3
1976	80.7	232.8	489.7	427.0	201.9	225.1	62.7	456.9	39.1	71.9	66.5	47.8	51.0	11.2
1977	88.6	249.9	545.0	471.0	219.6	251.5	74.0	519.8	46.8	76.6	77.6	56.3	62.0	11.4
MONTHLY:														
1977--OCT.	87.1	248.7	531.9	465.5	219.6	246.0	66.4	511.0	45.5	75.8	75.5	52.6	58.1	10.3
NOV.	87.7	248.5	540.1	469.2	219.4	249.7	70.9	515.7	46.1	76.2	77.1	54.0	60.1	6.7
DEC.	88.6	249.9	545.0	471.0	219.6	251.5	74.0	519.8	46.8	76.6	77.6	56.3	62.0	11.4
1978--JAN.	89.4	252.2	550.6	474.3	220.7	253.6	76.3	523.2	47.5	77.0	79.5	58.7	65.3	9.7
FEB.	90.1	251.7	556.7	477.3	220.9	256.4	79.4	525.9	48.1	77.4	80.1	61.4	66.6	7.5
MAR.	90.7	252.3	561.7	479.7	221.0	258.7	82.0	528.8	48.9	77.8	79.8	64.1	67.0	7.9
APR.	91.2	257.3	565.2	481.8	221.6	260.1	83.4	531.7	49.5	78.2	80.7	66.4	68.1	8.3
MAY	92.1	258.5	571.6	484.5	222.0	262.6	87.1	534.7	50.0	78.6	81.6	68.3	68.2	7.3
JUNE	92.8	259.9	574.5	487.8	221.7	266.1	86.7	538.4	50.7	78.9	81.7	70.4	69.2	11.3
JULY	93.3	260.9	579.4	492.0	220.9	271.1	87.4	543.5	51.2	79.3	80.0	71.4	69.2	14.2
AUG.	94.0	262.8	583.0	496.7	222.4	274.3	86.3	549.9	51.7	79.5	79.6	71.6	71.3	14.9
SEPT.	95.2	265.7	589.7	501.6	224.2	277.4	88.1	557.0	52.6	79.8	80.6	72.1	72.8	15.7
OCT. P	96.0	265.9	593.6	505.4	223.9	281.5	88.2	563.7	53.4	80.0	80.5	72.4	78.1	19.7
WEEKLY:														
1978--SEPT. 13	95.0	265.5	589.8	501.2	224.1	277.1	88.6						70.7	14.3
20	95.1	266.0	590.6	501.5	224.1	277.4	89.1						74.1	16.2
27	95.4	266.4	589.9	502.3	224.2	278.1	87.5						75.5	16.5
OCT. 4	95.8	264.5	591.2	504.2	224.5	279.8	87.0						73.7	16.4
11	95.7	268.5	591.5	505.1	224.5	280.7	86.4						76.1	19.9
18	96.0	268.3	592.0	505.0	224.0	281.0	87.0						78.3	22.8
25	95.8	263.0	595.3	506.3	223.7	282.6	89.0						78.9	20.8
NOV. 1P	96.5	264.5	598.9	507.1	223.0	284.1	91.8						81.9	18.6
8P	96.4	265.7	602.4	508.4	222.8	285.6	93.9							20.1

- 1/ ESTIMATED MONTHLY AVERAGE LEVELS DERIVED BY AVERAGING END OF CURRENT MONTH AND END OF PREVIOUS MONTH REPORTED DATA.
2/ INCLUDES PRIVATE DOMESTIC NONFINANCIAL INVESTORS' HOLDINGS OF COMMERCIAL PAPER, BANKERS ACCEPTANCES, SECURITY RP'S AND MONEY MARKET MUTUAL FUND SHARES.
3/ BORROWINGS BY BANKS FROM OTHER THAN COMMERCIAL BANKS IN THE FORM OF FEDERAL FUNDS PURCHASED, SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE, AND OTHER LIABILITIES FOR BORROWED MONEY, PLUS GROSS LIABILITIES TO OWN FOREIGN BRANCHES (EURODOLLAR BORROWINGS), LOANS SOLD TO AFFILIATES, LOAN RPS, AND OTHER MINOR ITEMS.
4/ INCLUDES TREASURY DEPOSITS AT MEMBER BANKS AND FEDERAL RESERVE BANKS.
P - PRELIMINARY