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(CONFIDENTIAL FR)

June 16, 1972

MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the Staff

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) Through mid-June reserves available to support private nonbank deposits (RPD) have been running below the mid-point of the path specified at the last meeting of the Committee. Partially projected data for required reserves for the last half of June suggest a somewhat larger shortfall unless excess reserves rise substantially. If excess reserves in the last two weeks of the month were to average no more than the \$150 million expected at the time of the last FOMC meeting, the May-June RPD growth would be 7 per cent at an annual rate, slightly below the Committee's 7-1/2 to 11-1/2 per cent target range, as shown in the attached Table 1.

(2) Growth in all of the key money and credit aggregates fell a little short of expectations in May but, as the attached Table 2 shows, deviations were not very significant. M_1 increased at about a 4 per cent annual rate, M_2 at nearly a 9 per cent rate, and the adjusted credit proxy at about a 15 per cent rate. Shortfalls appear to have continued in the first half of June.

(3) The Federal funds rate has averaged just under 4-1/2 per cent in the two most recent statement weeks. This is close to 25 basis points above the level prevailing at the time of the last meeting, and still in the low end of the 4-1/4 to 5-1/2 per cent range that was thought to have been consistent with growth in RPD at the mid-point of its targeted range. Borrowings from the discount window--averaging about

\$135 million during the past three statement weeks--have also been moderately below levels thought necessary to restrain growth in the aggregates within targeted ranges. In the absence of any indications of a slowing in economic growth, it seems probable that there has been an only temporary shortfall in private demand for cash balances relative to GNP. However, the possibility that there has been some overestimation of the basic intensity of demands for cash associated with GNP growth cannot be ruled out.

(4) The increase that had developed in the Federal funds rate following the last Committee meeting was not immediately reflected in short-term rates generally. The relative absence of upward pressures on short rates was probably attributable largely to the combination of sizable Federal debt repayment in June and market expectations that the Treasury would not borrow new funds until the latter part of July. However, most recently bill rates have risen, with the 3-month bill rate around 3.95 per cent.

(5) This outlook on Treasury financing along with some lightening of new issue calendars in both markets, contributed to a general strengthening of corporate and municipal bond markets during May. Encouraged by this improved atmosphere, underwriters bid rather aggressively for new issues, and bond yields declined generally. These May declines have since been erased, however, as investor resistance to aggressive underwriting pricing forced syndicate terminations.

(6) The following table compares seasonally adjusted annual rates of change in major financial aggregates for recent periods.

	1971	Fourth and First Quarters Combined (Mar. over Sept.)	Latest 2 months (May over March)
Total Reserves	7.3	6.2	15.1
Nonborrowed Reserves	8.0	8.9	15.1
Reserves available to support private nonbank deposits	7.7	8.6	6.9
<u>Concepts of Money</u>			
M ₁ (currency plus demand deposits) ^{1/}	6.2	5.2	5.9
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	11.1	10.8	8.0
M ₃ (M ₂ plus deposits at thrift institutions)	13.3	12.7	10.6
<u>Bank Credit</u>			
Total member bank deposits (Bank credit proxy adj.)	9.5	10.6	14.2
Loans and investments of commercial banks ^{2/}	11.3	13.3	11.0
Short-term market paper (Actual \$ change in billions)			
Large CD's	\$ 7.9	1.7	2.9
Nonbank commercial paper	-1.8	2.1	6.7

^{1/} Other than interbank and U. S. Government.

^{2/} Based on month-end figures. Includes loans sold to affiliates and branches.

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

Prospective developments

(7) The three alternative patterns of monetary aggregates and money market conditions summarized below differ little from those presented at the time of the last FOMC meeting. Given recent deposit flows, growth in M_1 for the second quarter is less than earlier indicated, but the alternatives proposed for third quarter rates of growth in M_1 are unchanged. We have reduced the range of member bank borrowings and lowered the bottom end of the Federal funds rate range, since pressures on the money market and on the discount window in the past several weeks have been less than anticipated for given increases in the monetary aggregates. But we have not lowered the top end of the funds rate ranges because we still feel that basic money demands will be strong, given the vigorous GNP growth projected, and that, therefore, there are some odds--not trivially small--that restraint of growth in the aggregates can require a considerable tightening of the money market. More detailed monthly and quarterly figures, including data for total reserves and RPD, are shown on the next two pages.

	<u>A</u>	<u>B</u>	<u>C</u>
Federal funds rate	3-1/2--5	4--5-1/2	4-1/2--6
Member bank borrowings (\$ millions)	50-250	75-450	150-650
Growth in M_1 (SAAR)			
June	6%	6%	6%
July	10	9	8-1/2
2nd Q.	6	6	6
3rd Q.	7-1/2	6-1/2	5-1/2
Near-term growth in RPD (SAAR)			
June	3%	7-1/2%	7%
July	6-1/2	5-1/2	4-1/2
June-July	7-1/2	6-1/2	5-1/2

Alternative Monthly and Quarterly Patterns
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>
<u>1972</u>	June	237.0	237.0	237.0	490.8	490.8	490.8
	July	239.0	238.8	238.7	495.2	494.7	494.4
	Aug.	240.4	240.0	239.7	498.9	497.7	496.7
	Sept.	241.5	240.8	240.3	501.7	499.9	498.3

Per Cent Annual Rates of Growth

	June	6.0	6.0	6.0	10.5	10.5	10.5
	July	10.0	9.0	8.5	11.0	9.5	9.0
	Aug.	7.0	6.0	5.0	9.0	7.5	5.5
	Sept.	5.5	4.0	3.0	6.5	5.5	4.0
	2nd Q.	6.0	6.0	6.0	9.0	9.0	9.0
	3rd Q.	7.5	6.5	5.5	9.0	7.5	6.0

Adjusted Credit Proxy

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
<u>1972</u>	June	382.1	382.1	382.1
	July	383.6	383.2	383.0
	Aug.	387.0	386.1	385.5
	Sept.	390.3	389.0	387.9

Per Cent Annual Rates of Growth

	June	4.0	4.0	4.0
	July	4.5	3.5	3.0
	Aug.	10.5	9.0	8.0
	Sept.	10.0	9.0	7.5
	2nd Q.	10.5	10.5	10.5
	3rd Q.	8.5	7.0	6.0

Alternative Monthly and Quarterly Patterns
of Reserve Aggregates

		<u>Total Reserves</u>			<u>RPD^{1/}</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
<u>1972</u>	June	33,072	33,064	33,056	30,161	30,153	30,145
	July	32,925	32,886	32,852	30,329	30,291	30,257
	Aug.	33,054	32,961	32,899	30,629	30,536	30,475
	Sept.	33,226	33,091	32,986	30,684	30,550	30,446

Per Cent Annual Rates of Growth

June	8.5	8.0	8.0	8.0	7.5	7.0
July	-5.5	-6.5	-7.5	6.5	5.5	4.5
Aug.	4.5	2.5	1.5	12.0	9.5	8.5
Sept.	6.0	4.5	3.0	2.0	0.5	-1.0
2nd Q.	13.0	13.0	13.0	7.0	7.0	7.0
3rd Q.	2.0	0.5	-1.0	7.0	5.5	4.0

1/ Reserves available to support private nonbank deposits.

(8) The first two alternatives encompass recently prevailing money market conditions, taken to be typified by a Federal funds rate around $4\frac{3}{8}$ -- $4\frac{1}{2}$ per cent. But under alternative A, the staff would expect the funds rate to edge down from current levels, while under alternative B it is likely to edge up as reserve provision through open market operations is held back in the face of strengthening demand for money. M_1 growth is expected to be largest early in the third quarter--with the July rise estimated at around a 9 per cent annual rate--as U. S. Government deposits decline sharply on balance.

(9) For several weeks the 3-month bill rate has been seasonally low relative to the Federal funds rate. Over the course of July the bill rate normally rises relative to the funds rate. The seasonal rise--or at least the full extent of it--may be delayed this year if the Treasury does not begin its third quarter cash borrowing until late July or early August. We have assumed a fairly sizable cash borrowing around mid-July. And we would expect significant upward pressures on the bill rate to begin emerging at least by the latter part of July, with the full force of such pressures possibly not developing until later in the summer. Between now and the July 18 FOMC meeting, a 3-month bill rate in a $3\frac{3}{4}$ -- $4\frac{1}{2}$ per cent range might be anticipated, assuming money market conditions around those currently prevailing, but with the rate moving higher if the funds rate were to move above $4\frac{3}{4}$ per cent.

(10) As the third quarter progresses, growth in time deposits other than large CD's is expected to slow, reflecting rising short-term market interest rates. The slowdown does not look as if it will be as sharp as we had earlier expected in view of the strong performance of

such deposits in recent weeks and the failure of short-term market rates thus far to show significant increases. Even so, M_2 is projected to grow more slowly in the third quarter than in the second under alternatives B and C, and at just about the same rate under alternative A.

(11) The recent strong business loan demand at banks is expected to persist in the summer. And with diminished net inflows of time deposits other than large CD's, banks can be expected to bid fairly aggressively for large negotiable CD funds. Nevertheless, bank credit expansion--as measured by the proxy--may be very slow in June and July as continued declines in U. S. Government deposits divert funds from banks. Over the third quarter as a whole, bank credit growth is likely to be somewhat slower than in the second quarter.

(12) Between now and the next meeting of the Committee, there is unlikely to be much upward pressure on long-term interest rates, given the moderate credit demands in prospect, unless money market conditions become significantly firmer. If the Treasury should elect to undertake an advance refunding in the latter part of June, some modest near-term increase in Treasury yields might be expected, but the spill-over of such yield increases to other long-term markets would probably not be very large. Taking a somewhat longer view, as the summer progresses the expected rise in short-term rates, fueled by the increased cash needs of the Treasury, will probably lead to some increase in long-term interest rates generally.

Proposed directive

(13) Three alternative formulations for the operational paragraph of the directive are presented below. They might be associated with the correspondingly lettered patterns of growth in the aggregates described in the preceding section.

(14) Alternative A.

"To implement this policy, while taking account of capital-market-developments-and possible Treasury refunding FINANCING, the Committee seeks to achieve bank reserve and money market conditions that will support somewhat-slower growth in monetary aggregates over the months ahead AT SOMEWHAT FASTER RATES THAN IN RECENT MONTHS."

(15) Alternative B.

"To implement this policy, while taking account of capital-market-developments-and possible Treasury refunding FINANCING, the Committee seeks to achieve bank reserve and money market conditions that will support somewhat-slower MODERATE growth in monetary aggregates over the months ahead."

(16) Alternative C.

"To implement this policy, while taking account of capital market developments and possible Treasury refunding FINANCING, the Committee seeks to achieve bank reserve and money market conditions that will support somewhat-slower growth in monetary aggregates over the months ahead AT SOMEWHAT SLOWER RATES THAN IN RECENT MONTHS."

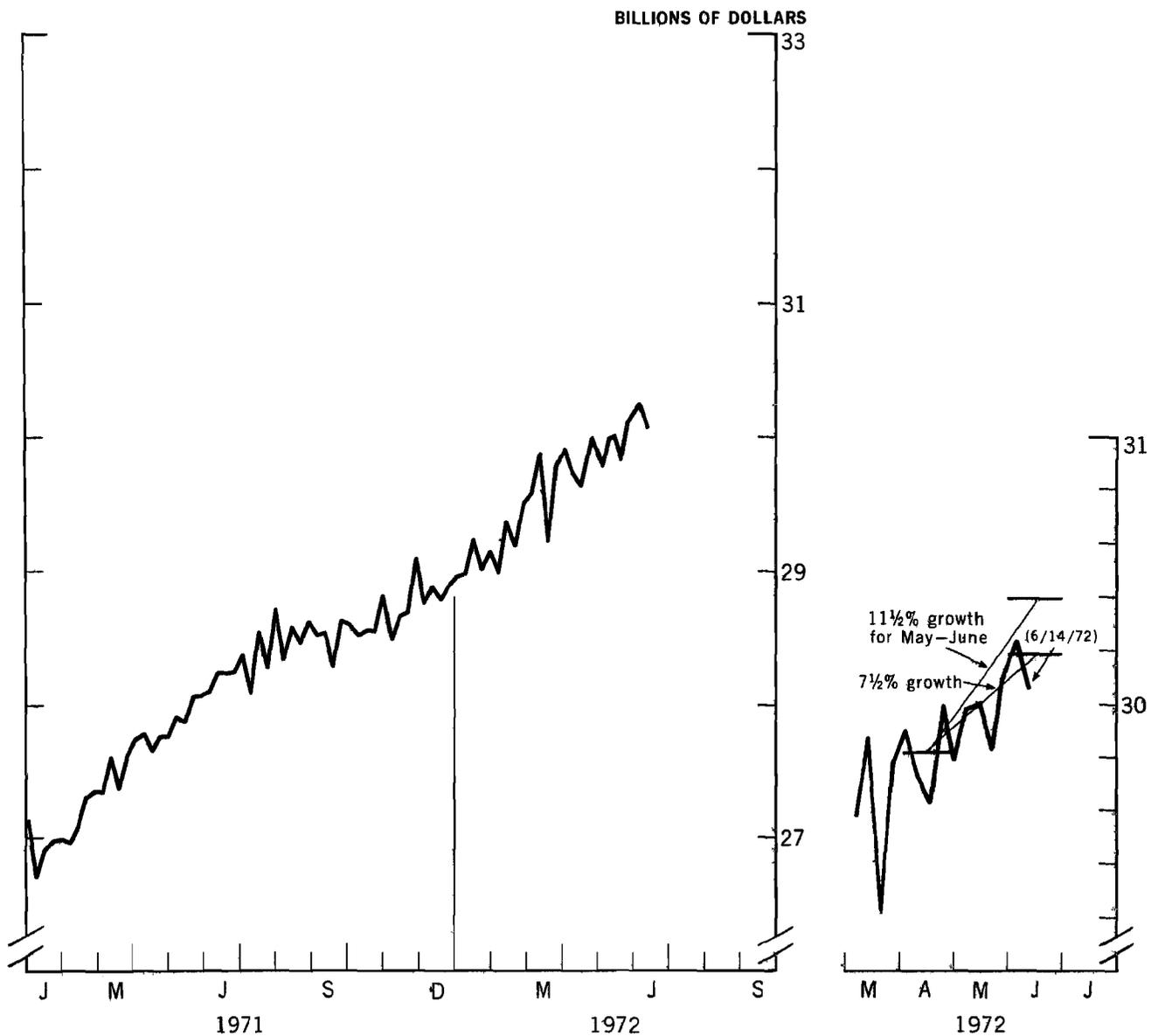
(17) Deletion of the reference to capital market developments is proposed for alternatives A and B in view of the recent and prospective moderation of credit demands in capital markets. However, the Committee might wish to consider including such a reference in association with alternative C because of the stronger upward pressures in long-term markets that could develop under that alternative.

(18) The other differences in language among these alternatives are in the descriptions of desired growth in monetary aggregates. In alternative A the words "at somewhat faster rates than in recent months" are designed to place an accent on the objective under this alternative of achieving some pick-up from the average rates of May and June. In B the term "moderate" is suggested in place of the previous "somewhat slower" to avoid any implication that the Committee seeks a continued slowing of monetary growth from the rates recently achieved. As indicated, it is proposed to retain the phrase "somewhat slower" in alternative C.

CHART 1

STRICTLY CONFIDENTIAL (FR)
6/16/72

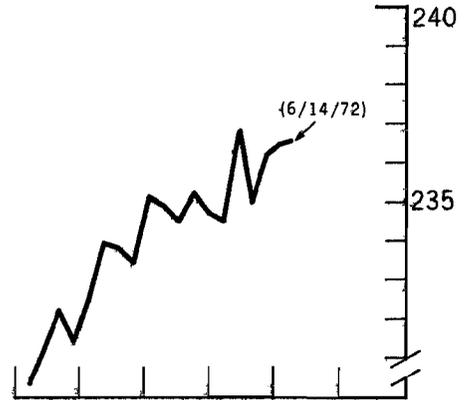
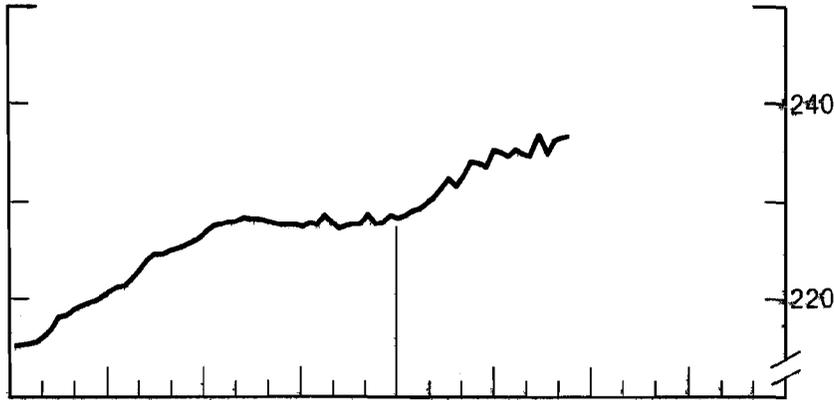
RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS



MONETARY AGGREGATES

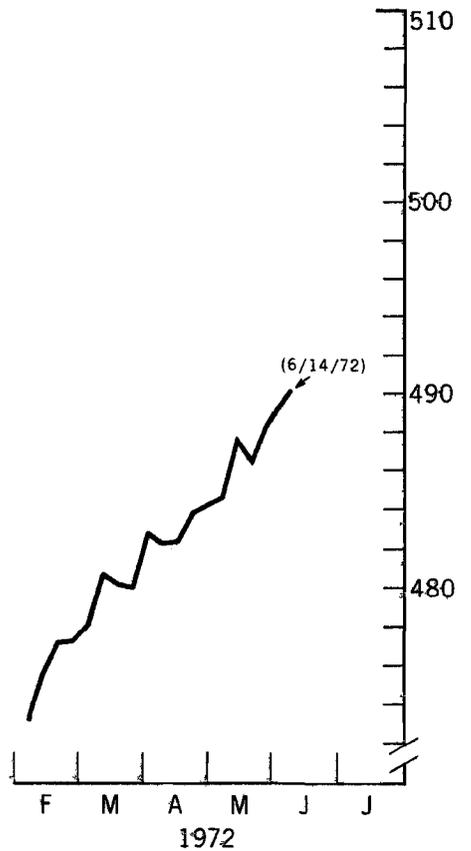
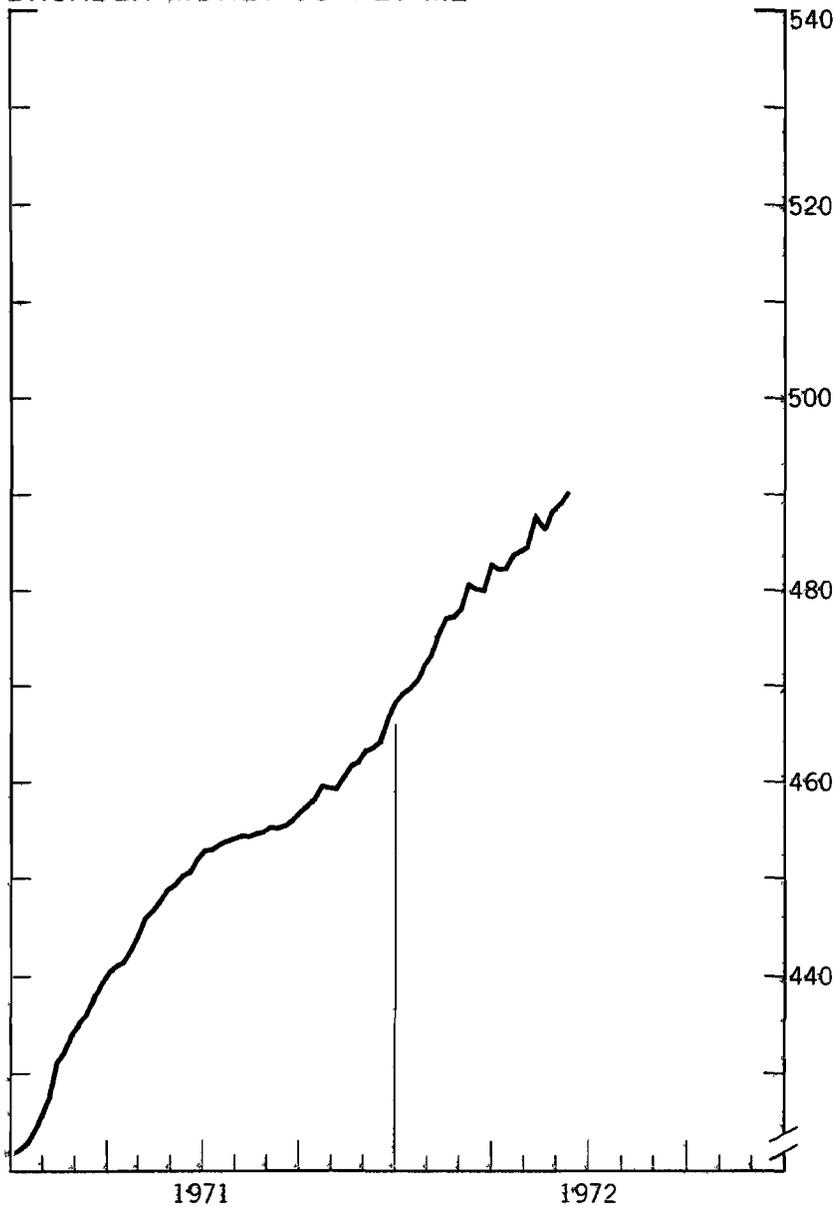
NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY M2

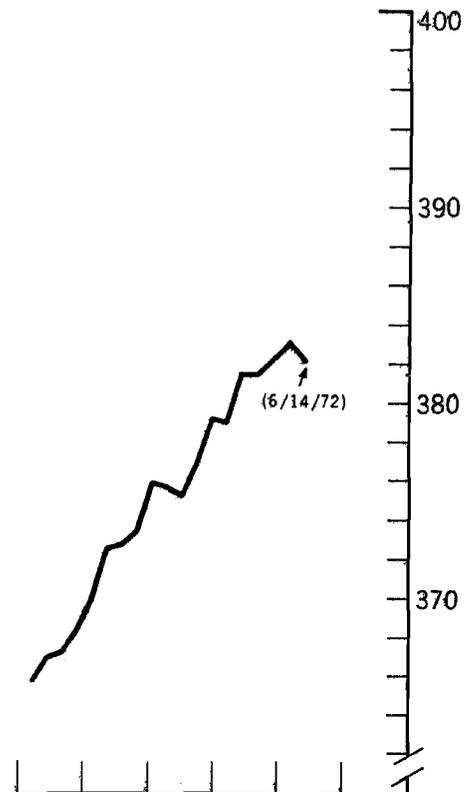
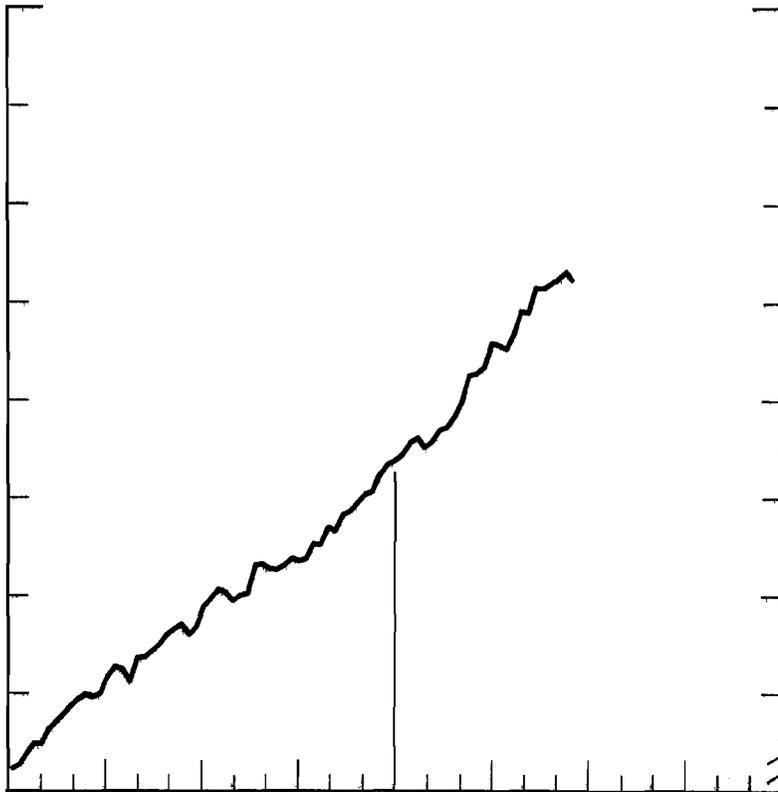
BILLIONS OF DOLLARS



MONETARY AGGREGATES

ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



TOTAL RESERVES

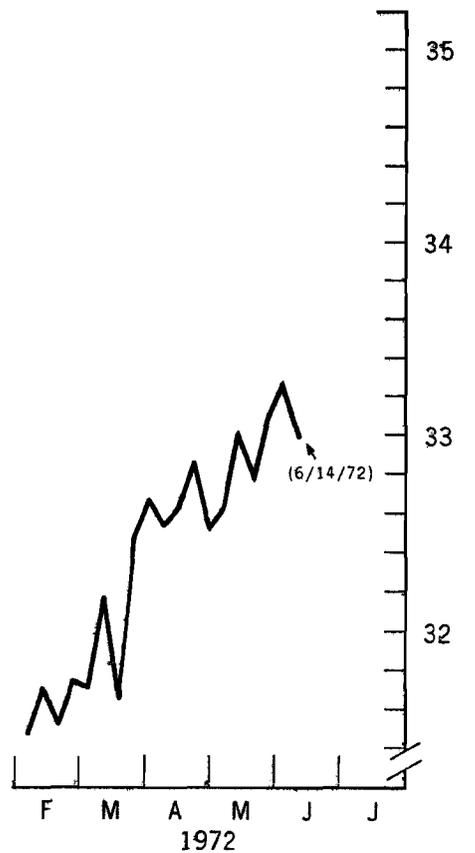
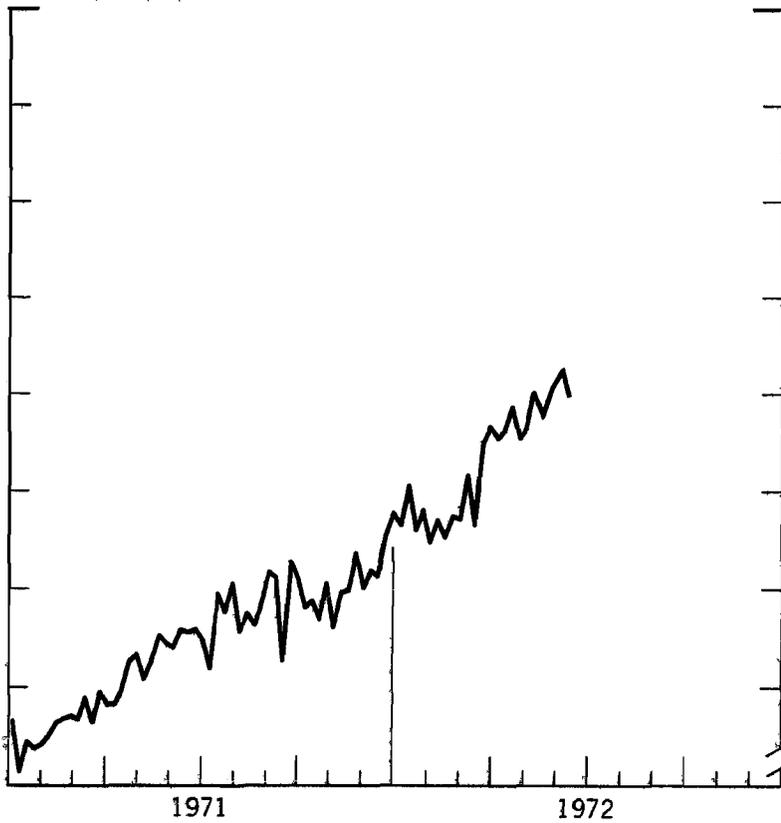
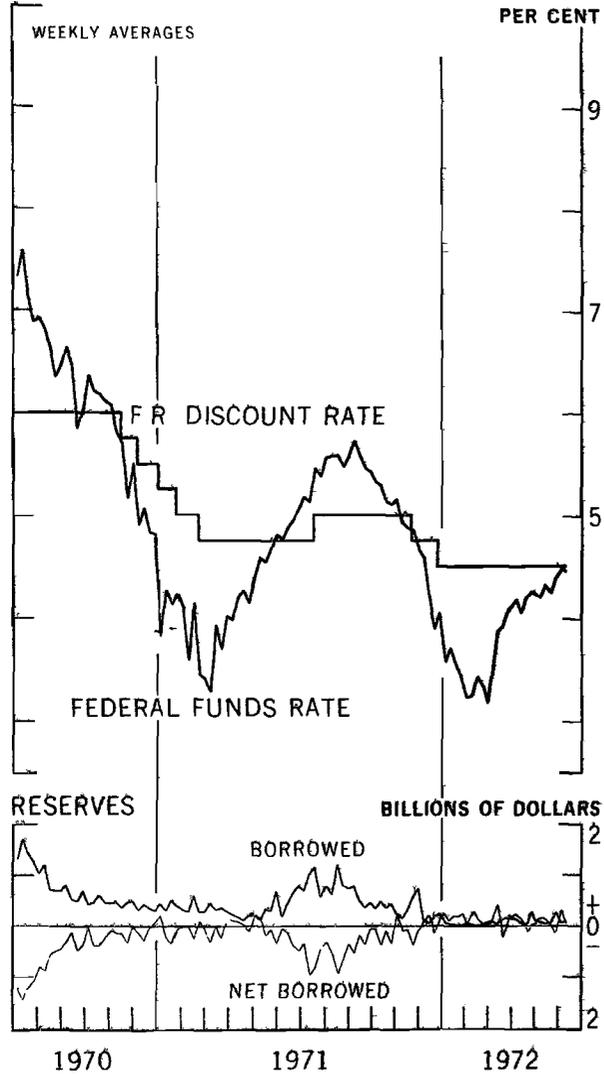


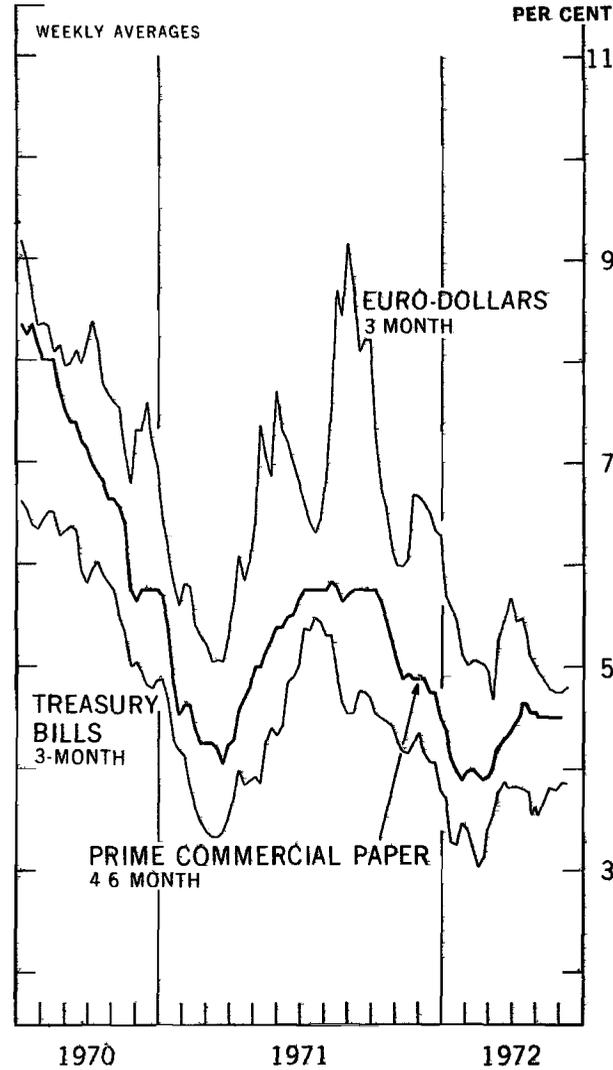
CHART 4

MONEY MARKET CONDITIONS AND INTEREST RATES

MONEY MARKET CONDITIONS



INTEREST RATES Short-term



INTEREST RATES Long-term

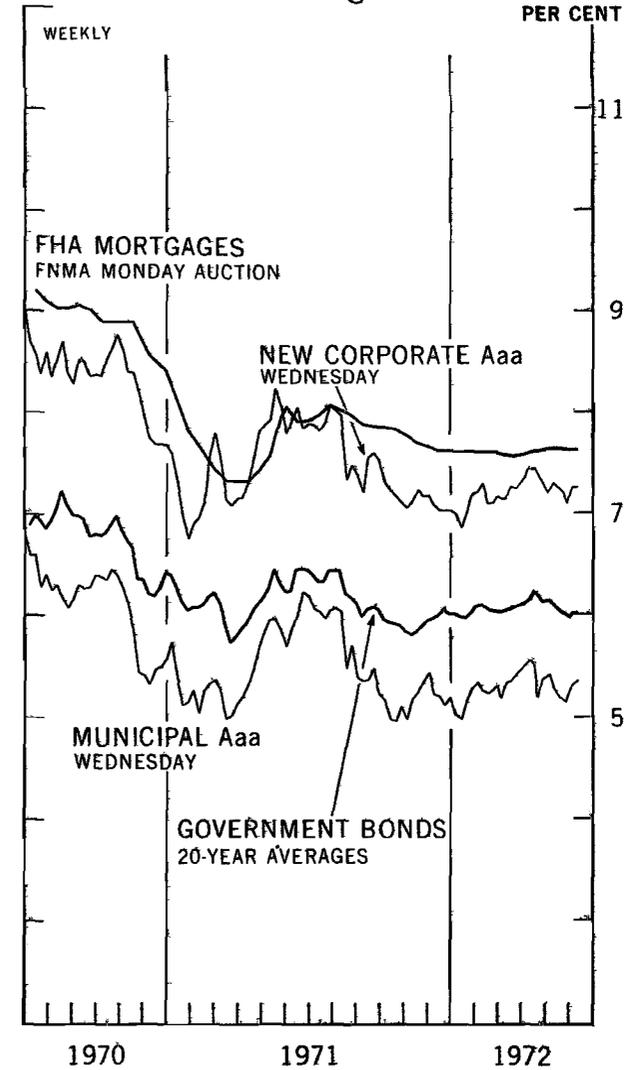


Table 1

STRICTLY CONFIDENTIAL (FR)

Bank Reserves

June 16, 1972

Period	Reserves Available for Private Nonbank Deposits				Aggregate Reserves		Required Reserves		
	Seasonally Adjusted		Not Seasonally Adjusted		Total Reserves	Nonborrowed Reserves	Seasonally Adjusted		
	Target and Associated Patterns	Actual and Projected	Target and Associated Patterns	Actual and Projected			Private Demand	Time and Nondeposits	U. S. Gov't. and Interbank
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1972--Mar.		29,625		29,347	32,032	31,931	20,669	8,748	2,407
Apr.	29,821	29,799	29,912	29,890	32,644	32,525	20,859	8,762	2,845
May	30,006	29,965	29,823	29,788	32,842	32,742	20,877	8,935	2,876
June	30,194-30,395 ^{1/}	(30,153)	29,831-30,030 ^{1/}	(29,793)	(33,064)	(32,958)	(20,886)	(9,057)	(2,911)
<u>Annual Rates of Change</u>									
<u>Quarterly:</u>									
1971--3rd Qtr.		4.3			7.2	6.0	2.4	6.7	
4th Qtr.		4.8			2.2	6.8	2.8	14.5	
1972--1st Qtr.		10.8			10.1	10.5	6.8	18.0	
2nd Qtr.		(7.0)			(13.0)	(13.0)	(4.0)	(14.0)	
1972--Mar.		15.6			15.8	13.3	13.5	13.2	
Apr.		7.0			22.9	22.2	11.0	1.9	
May	7.0	6.7			7.3	8.0	1.0	23.7	
June	12.0	(7.5)			(8.0)	(8.0)	(0.5)	(16.5)	
May-June	7.5-11.5 ^{1/}	(7.0)			(7.5)	(8.0)	(1.0)	(20.0)	
<u>Weekly:</u>									
1972--Apr.	5	29,898		29,728	32,655	32,519	20,824	8,713	2,757
	12	29,728		29,525	32,526	32,512	20,765	8,744	2,798
	19	29,632		29,850	32,615	32,568	20,988	8,751	2,983
	26	29,971		30,198	32,845	32,569	20,843	8,780	2,874
May	3	29,787		30,263	32,529	32,415	20,866	8,840	2,742
	10	29,990		30,004	32,638	32,555	20,914	8,891	2,647
	17	30,011		29,908	32,995	32,960	20,884	8,931	2,985
	24	29,825		29,378	32,783	32,722	20,719	8,964	2,958
	31	30,110		29,659	33,083	32,869	20,996	8,992	2,973
June	7	30,223		29,625	33,249	33,193	20,769	9,022	3,026
	14	30,058		29,610	32,984	32,896	20,901	9,036	2,926

NOTE: Data shown in parentheses are current projections.

^{1/} The range is centered on the 9.5 per cent annual rate of growth in these reserves from April to June thought to be consistent with growth in monetary aggregates as shown under Alternative B in the Bluebook of May 19, 1972.

Annual Growth Rates consistent with Alternative B ^{1/}

	May	June	QII
M ₁	4-1/2	8-1/2	7-1/4
M ₂	9-1/2	10	9
Credit Proxy (Adj.)	17	2-1/2	11

Table 2
Monetary Aggregates
(Actual and current projections, seasonally adjusted)

STRICTLY CONFIDENTIAL (FR)
June 16, 1972

Period	Narrow Money Supply (M ₁)	Broad Money Supply (M ₂)	Adjusted Credit Proxy	U.S. Govt. Deposits	Total Time and Savings	Time deposits other than CD's	Negotiable CD's	Nondeposit Sources of Funds
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Monthly Pattern in Billions of Dollars								
1972--Jan.	228.8	469.9	364.9	6.3	274.4	241.2	33.2	4.0
Feb.	231.2	475.5	366.7	3.7	278.1	244.3	33.8	3.6
Mar.	233.5	480.1	372.1	6.1	279.9	246.5	33.4	3.7
Apr.	235.0	483.0	376.3	7.4	282.8	248.1	34.7	3.5
May	235.8	486.5	380.9	7.4	287.0	250.7	36.3	3.7
June	(237.0)	(490.8)	(382.1)	(5.0)	(290.9)	(253.8)	(37.0)	(3.7)
Annual Percentage Rates of Change--Quarterly and Monthly								
1971--3rd Qtr.	3.7	4.4	7.6		8.2	5.3		
4th Qtr.	1.1	8.0	9.7		15.9	14.7		
1972--1st Qtr.	9.3	13.3	11.3		14.8	17.1		
2nd Qtr.	(6.0)	(9.0)	(10.5)		(15.5)	(12.0)		
1972--Jan.	3.2	13.4	9.9		20.0	24.4		
Feb.	12.6	14.3	5.9		16.2	15.4		
Mar.	11.9	11.6	17.7		7.8	10.8		
Apr.	7.7	7.2	13.5		12.4	7.8		
May	4.1	8.7	14.7		17.8	12.6		
June	(6.0)	(10.5)	(4.0)		(16.5)	(15.0)		
Weekly Pattern in Billions of Dollars								
1972--Mar.								
1	231.4	477.3	368.3	3.2	279.7	245.9	33.8	3.6
8	232.5	478.1	369.9	5.2	279.4	245.7	33.7	3.7
15	233.9	480.7	372.5	6.2	279.8	246.8	33.0	3.8
22	233.8	480.2	372.7	6.7	279.5	246.4	33.1	3.7
29	233.4	480.0	373.4	6.9	280.2	246.6	33.7	3.8
Apr.								
5	235.1	482.8	375.8	7.6	281.1	247.7	33.4	3.5
12	234.9	482.3	375.6	8.2	281.7	247.5	34.2	3.5
19	234.5	482.4	375.2	6.4	282.9	247.9	35.0	3.5
26	235.2	483.8	376.8	6.4	284.0	248.6	35.4	3.7
May								
3	234.7	484.2	379.1	7.9	285.2	249.5	35.6	3.6
10	234.5	484.6	378.9	7.0	286.1	250.1	36.0	3.6
17	236.8	487.5	381.4	6.9	286.9	250.7	36.1	3.8
24	235.0	486.4	381.4	7.6	287.9	251.4	36.5	3.8
31	236.2	488.3	382.1	7.3	288.8	252.1	36.7	3.6
June								
7	236.5	489.3	383.1	6.9	289.5	252.8	36.7	3.7
14 pe	236.6	490.2	382.1	5.3	291.0	253.6	37.3	3.7

NOTES: Data shown in parentheses are current projections.

pe - Partially estimated.

Annual rates of change other than those for the past are rounded to nearest half per cent.

^{1/} As shown in the May 19, 1972 Bluebook.

Appendix Table I
RESERVES AND MONETARY VARIABLES

CONFIDENTIAL (FR)

June 16, 1972

Period	Reserves			Money Stock Measures			Bank Credit Measures		Other					
	Total	Nonborrowed	Available to Support Pvt. Deposits	M ₁	M ₂	M ₃	Adjusted Credit Proxy	Total Loans and Investments	Total Time	Time Other than CD's	Thrift Institution Deposits	CD's	Nondeposit Funds	U.S. Gov't. Demand
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Annually:				(Per Cent Annual Rates of Growth)						(Dollar Change in Billions)				
1968	+ 7.8	+ 5.8	+ 8.6	+ 7.8	+ 9.3	+ 8.3	+ 9.7	+ 11.0	+ 11.3	+ 11.1	+ 6.4	+ 2.8	+ 2.6	- 0.1
1969	- 1.3	- 2.7	- 2.7	+ 3.2	+ 2.3	+ 2.7	+ 0.3	+ 3.9	- 4.9	+ 1.4	+ 3.4	- 12.6	+ 13.0	+ 0.3
1970	+ 6.0	+ 9.2	+ 8.1	+ 5.4	+ 8.1	+ 7.8	+ 8.3	+ 8.1	+ 17.9	+ 11.0	+ 7.7	+ 14.5	- 8.4	+ 1.1
1971	+ 7.3	+ 8.0	+ 7.8	+ 6.2	+ 11.1	+ 13.3	+ 9.5	+ 11.3	+ 17.9	+ 16.2	+ 17.5	+ 7.9	- 7.6	- 0.3
Semi-Annually:														
1st Half 1970	+ 0.4	+ 3.0	+ 5.2	+ 5.6	+ 5.8	+ 5.0	+ 4.8	+ 5.2	+ 8.4	+ 6.0	+ 4.7	+ 2.6	+ 0.7	+ 0.4
2nd Half 1970	+ 11.6	+ 15.3	+10.6	+ 5.2	+ 10.1	+ 10.3	+ 11.4	+ 10.8	+ 26.3	+ 15.6	+ 10.6	+ 11.9	- 9.1	+ 0.7
1st Half 1971	+ 9.6	+ 9.3	+10.9	+ 10.0	+ 15.5	+ 17.0	+ 9.7	+ 11.5	+ 22.3	+ 21.2	+ 20.1	+ 3.9	- 7.1	- 2.1
2nd Half 1971	+ 4.7	+ 6.5	+ 4.6	+ 2.4	+ 6.3	+ 8.8	+ 8.8	+ 10.6	+ 12.2	+ 10.1	+ 13.5	+ 4.1	- 0.4	+ 1.8
Quarterly:														
1st Qtr. 1971	+ 8.9	+ 9.5	+10.8	+ 9.1	+ 18.1	+ 18.9	+ 10.9	+ 12.3	+ 28.8	+ 27.5	+ 21.9	+ 2.6	- 4.6	- 2.4
2nd Qtr. 1971	+ 10.0	+ 9.0	+10.6	+ 10.6	+ 12.4	+ 14.4	+ 8.4	+ 10.3	+ 14.7	+ 14.0	+ 17.3	+ 1.3	- 2.6	+ 0.3
3rd Qtr. 1971	+ 7.2	+ 6.0	+ 4.3	+ 3.7	+ 4.4	+ 7.8	+ 7.6	+ 9.7	+ 8.2	+ 5.3	+ 13.7	+ 2.3	- 0.4	+ 2.3
4th Qtr. 1971	+ 2.2	+ 6.8	+ 4.8	+ 1.1	+ 8.0	+ 9.6	+ 9.7	+ 11.1	+ 15.9	+ 14.7	+ 12.8	+ 1.8	--	- 0.4
1st Qtr. 1972	+ 10.1	+ 11.0	+10.8	+ 9.3	+ 13.3	+ 15.5	+ 11.3	+ 15.1	+ 14.8	+ 17.1	+ 20.5	- 0.1	- 0.3	- 0.1
1971: Jan.	+ 10.6	+ 8.1	+ 8.2	+ 2.8	+ 14.1	+ 15.5	+ 10.2	+ 12.8	+ 28.8	+ 26.0	+ 23.9	+ 1.1	- 1.5	- 0.7
Feb.	+ 8.6	+ 11.7	+ 9.0	+ 13.4	+ 20.7	+ 20.9	+ 11.9	+ 14.6	+ 29.7	+ 28.3	+ 18.5	+ 0.9	- 1.6	- 0.9
Mar.	+ 7.3	+ 8.4	+14.9	+ 11.0	+ 18.7	+ 19.3	+ 10.3	+ 9.1	+ 26.0	+ 26.5	+ 22.1	+ 0.6	- 1.6	- 0.8
Apr.	+ 8.5	+ 16.9	+11.6	+ 8.2	+ 12.1	+ 15.5	+ 8.5	+ 7.4	+ 13.2	+ 16.0	+ 22.5	- 0.2	- 1.9	+ 1.6
May	+ 13.4	+ 9.9	+ 8.7	+ 14.1	+ 13.9	+ 15.2	+ 8.8	+ 9.7	+ 15.5	+ 13.6	+ 12.9	+ 0.7	- 1.0	- 0.2
June	+ 7.9	--	+11.3	+ 9.1	+ 10.7	+ 12.0	+ 7.7	+ 13.6	+ 14.8	+ 11.8	+ 15.8	+ 0.8	+ 0.4	- 1.0
July	+ 4.4	- 7.6	+ 6.8	+ 10.1	+ 7.5	+ 10.5	+ 10.7	+ 6.2	+ 9.4	+ 4.8	+ 16.7	+ 1.1	- 0.2	+ 0.8
Aug.	+ 4.1	+ 2.8	+ 6.9	+ 3.2	+ 2.9	+ 6.6	+ 4.1	+ 11.9	+ 4.2	+ 3.2	+ 10.3	+ 0.4	- 0.4	+ 0.6
Sept.	+ 12.9	+ 22.9	-0.8	- 2.1	+ 2.9	+ 6.2	+ 7.9	+ 10.9	+ 10.7	+ 7.9	+ 13.8	+ 0.8	+ 0.1	+ 0.9
Oct.	- 7.4	- 2.8	+ 3.6	+ 0.5	+ 7.1	+ 9.1	+ 4.8	+ 11.9	+ 17.1	+ 13.7	+ 13.0	+ 1.1	+ 0.8	- 1.9
Nov.	+ 3.4	+ 2.0	+ 5.9	--	+ 6.5	+ 8.7	+ 11.2	+ 6.2	+ 9.1	+ 13.0	+ 11.4	- 0.5	+ 0.5	+ 0.7
Dec.	+ 10.7	+ 21.4	+ 4.8	+ 2.6	+ 10.2	+ 11.0	+ 13.1	+ 14.9	+ 20.8	+ 17.0	+ 13.7	+ 1.2	- 1.3	+ 0.8
1972: Jan.	+ 20.2	+ 23.1	+ 9.2	+ 3.2	+ 13.4	+ 15.4	+ 9.9	+ 14.2	+ 20.0	+ 24.4	+ 23.9	+ 0.2	- 0.1	+ 0.1
Feb.	- 5.9	- 3.6	+ 7.4	+ 12.6	+ 14.3	+ 16.7	+ 5.9	+ 12.4	+ 16.2	+ 15.4	+ 17.6	+ 0.6	- 0.3	- 2.6
Mar.	+ 15.8	+ 13.3	+ 15.6	+ 11.9	+ 11.6	+ 13.8	+ 17.7	+ 18.0	+ 7.8	+ 10.8	+ 19.0	- 0.4	+ 0.1	+ 2.4
Apr.	+ 22.9	+ 22.2	+ 7.0	+ 7.7	+ 7.2	+ 10.9	+ 13.5	+ 3.6	+ 12.4	+ 7.8	+ 15.8	+ 1.3	- 0.2	+ 1.3
May p	+ 7.3	+ 8.0	+ 6.7	+ 4.1	+ 8.7	+ 10.2	+ 14.7	+ 18.4	+ 17.8	+ 12.6	10.0	+ 1.6	+ 0.2	--

NOTE: Reserve requirements on Eurodollar borrowings are included beginning October 16, 1969, and requirements on bank-related commercial paper are included beginning October 1, 1970.

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Appendix Table II
RESERVES AND MONETARY VARIABLES
(Seasonally adjusted, Billions of dollars)

CONFIDENTIAL (FR)

June 16, 1972

Period	Reserves			Money Stock Measures				Bank Credit Measures		Other					
	Total	Non-borrowed	Available to Support Pvt. Deposits	M ₁		M ₂	M ₃	Adjusted Credit Proxy	Total Loans and Investments	Total Time	Time Other than CD's	Thrift Institution Deposits	CD's	Non-Deposit Funds	U.S. Gov't. Demand
				Total	Pvt. Dep.										
Annually:	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Dec. 1968	27.249	26.471	24.963	197.4	154.0	378.0	572.6	304.6	390.6	204.2	180.6	194.6	23.6	7.0	5.1
Dec. 1969	27.977	26.829	25.245	203.7	157.7	368.8	588.3	305.4	406.0	194.1	183.2	201.5	11.0	20.0	5.3
Monthly:															
1970--June	28.037	27.227	25.902	209.4	161.7	398.1	603.0	312.8	416.5	202.3	188.7	204.9	13.6	20.7	5.7
July	28.315	27.060	26.009	210.3	162.4	401.7	608.4	318.2	422.5	208.4	191.4	206.6	17.0	19.8	5.5
Aug.	28.695	27.907	26.385	211.6	163.5	405.6	613.9	322.5	427.5	213.2	193.9	208.4	19.3	18.8	5.7
Sept.	29.059	28.438	26.812	212.8	164.5	409.2	619.1	324.3	429.5	217.7	196.4	209.9	21.3	16.5	5.8
Oct.	28.700	28.190	26.485	213.1	164.8	412.1	623.9	324.8	430.6	221.5	198.9	211.8	22.6	14.2	5.2
Nov.	28.704	28.239	26.554	213.6	164.9	414.3	627.9	326.5	433.1	224.2	200.6	213.6	23.6	12.7	6.2
Dec.	29.132	28.764	26.747	214.8	165.8	418.2	634.0	330.6	438.9	228.9	203.4	215.8	25.5	11.6	6.4
1971--Jan.	29.390	28.958	26.930	215.3	166.0	423.1	642.2	333.4	443.6	234.4	207.8	219.2	26.6	10.1	5.8
Feb.	29.600	29.240	27.132	217.7	168.0	430.4	653.4	336.7	449.0	240.2	212.7	223.0	27.5	8.6	4.9
Mar.	29.779	29.445	27.470	219.7	169.7	437.1	663.9	339.6	452.4	245.4	217.4	226.8	28.1	7.0	4.0
Apr.	29.991	29.859	27.735	221.2	170.7	441.5	672.5	342.0	455.2	248.1	220.3	231.0	27.8	5.1	5.6
May	30.327	30.106	27.935	223.8	173.0	446.6	681.0	344.5	458.9	251.3	222.8	234.4	28.5	4.1	5.4
June	30.527	30.106	28.199	225.5	174.5	450.6	687.8	346.7	464.1	254.4	225.0	237.2	29.4	4.5	4.3
July	30.639	29.915	28.358	227.4	175.8	453.4	693.8	349.8	466.5	256.4	225.9	240.4	30.4	4.3	5.1
Aug.	30.743	29.985	28.521	228.0	176.3	454.5	697.6	351.0	471.1	257.3	226.5	243.1	30.8	3.9	5.7
Sept.	31.073	30.556	28.503	227.6	175.5	455.6	701.2	353.3	475.4	259.6	228.0	245.6	31.6	4.1	6.6
Oct.	30.882	30.485	28.588	227.7	175.5	458.3	706.5	354.7	480.1	263.3	230.6	248.3	32.7	4.8	4.7
Nov.	30.970	30.535	28.728	227.7	175.5	460.8	711.6	358.0	482.6	265.3	233.1	250.8	32.2	5.4	5.4
Dec.	31.246	31.079	28.844	228.2	175.7	464.7	718.1	361.9	488.6	269.9	236.4	253.4	33.4	4.0	6.2
1972--Jan.	31.772	31.678	29.064	228.8	176.0	469.9	727.3	364.9	494.4	274.4	241.2	257.4	33.2	4.0	6.3
Feb.	31.616	31.583	29.244	231.2	178.0	475.5	737.4	366.7	499.5	278.1	244.3	261.8	33.8	3.6	3.7
Mar.	32.032	31.933	29.625	233.5	179.9	480.1	745.9	372.1	507.0	279.9	246.5	265.8	33.4	3.7	6.1
Apr.	32.644	32.525	29.799	235.0	180.9	483.0	752.7	376.3	508.5	282.8	248.1	269.7	34.7	3.5	7.4
May	32.842	32.742	29.965	235.8	181.4	486.5	759.1	380.9	516.3	287.0	250.7	272.6	36.3	3.7	7.4
Weekly:															
1972--Feb.	2	31.797	31.778	29.138	229.8	176.9	472.2	365.1	497.2	275.8	242.4	267.2	33.4	3.8	4.8
	9	31.473	31.427	28.991	230.3	177.2	473.3	365.7	497.2	276.5	243.0	267.2	33.5	3.7	5.1
	16	31.695	31.678	29.362	231.2	178.0	475.6	366.9	497.2	278.2	244.4	267.2	33.8	3.7	3.8
	23	31.519	31.505	29.192	232.2	178.8	477.2	367.2	497.2	279.3	245.0	267.2	34.3	3.6	3.0
Mar.	1	31.744	31.666	29.497	231.4	178.2	477.3	368.3	497.2	279.7	245.9	267.2	33.8	3.6	3.2
	8	31.709	31.598	29.575	232.5	179.0	478.1	369.9	497.2	279.4	245.7	267.2	33.7	3.7	5.2
	15	32.164	32.151	29.869	233.9	180.2	480.7	372.5	497.2	279.8	246.8	267.2	33.0	3.8	6.2
	22	31.650	31.538	29.216	233.8	180.1	480.2	372.7	497.2	279.5	246.4	267.2	33.1	3.7	6.7
	29	32.466	32.307	29.782	233.4	179.5	480.0	373.4	497.2	280.2	246.6	267.2	33.7	3.8	6.9
Apr.	5	32.655	32.519	29.898	235.1	181.1	482.8	375.8	497.2	281.1	247.7	267.2	33.4	3.5	7.6
	12	32.526	32.512	29.728	234.9	181.0	482.3	375.6	497.2	281.7	247.5	267.2	34.2	3.5	8.2
	19	32.615	32.568	29.632	234.5	180.4	482.4	375.2	497.2	282.9	247.9	267.2	35.0	3.5	6.4
	26	32.845	32.569	29.971	235.2	181.0	483.8	376.8	497.2	284.0	248.6	267.2	35.4	3.7	6.4
May	3	32.529	32.415	29.787	234.7	180.6	484.2	379.1	497.2	285.2	249.5	267.2	35.6	3.6	7.9
	10	32.638	32.555	29.990	234.5	180.1	484.6	378.9	497.2	286.1	250.1	267.2	36.0	3.6	7.0
	17	32.995	32.960	30.011	236.8	182.3	487.5	381.4	497.2	286.9	250.7	267.2	36.1	3.8	6.9
	24	32.783	32.722	29.825	235.0	180.5	486.4	381.4	497.2	287.9	251.4	267.2	36.5	3.6	7.6
	31 p	33.083	32.869	30.110	236.2	181.7	488.3	382.1	497.2	288.8	252.1	267.2	36.7	3.6	7.3
June	7 p	33.249	33.193	30.223	236.5	182.0	489.3	383.1	497.2	289.5	252.8	267.2	36.7	3.7	6.9

NOTES: Reserve requirements on Euro-dollar borrowings are included beginning October 16, 1969, and requirements on bank-related commercial paper are included beginning October 1, 1970. Adjusted credit proxy includes mainly total member bank deposits subject to reserve requirements, bank-related commercial paper, and Euro-dollar borrowings of U. S. banks. Weekly data are daily averages for statement weeks. Monthly data are daily averages except for nonbank commercial paper figures which are for last day of month. Weekly data are not available for M₃, total loans and investments and thrift institution deposits.