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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

July 11, 1975

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) Growth of M_1 accelerated further from May to June, on average, to about an 18 per cent annual rate, but data for the two statement weeks ending July 9--a period after Federal tax rebates and special social security payments had ended--indicate a significant decline in the level of the money stock. For June and July combined, therefore, growth in M_1 is now projected at an annual rate of about $8\frac{1}{2}$ per cent--well within the Committee's two-month range of tolerance. While growth of bank time and savings deposits other than large CD's has also slowed recently, expansion of M_2 still appears likely to run somewhat above its two-month range of tolerance, as the table shows.

Growth in Monetary Aggregates and RPD's
over June-July period

<u>Reserve and monetary aggregate (Growth at SAAR in per cent)</u>	<u>Range of Tolerance</u>	<u>Latest Estimates</u>
M_1	$6\frac{1}{2}$ - $9\frac{1}{2}$	8.5
M_2	9-12	12.7
RPD	5-8	3.0
<u>Memo:</u>		
Federal funds rate (per cent per annum)	$5-6\frac{1}{2}$ ^{1/}	<u>Avg. for statement week ending</u>
		6/25 5.72
		7/2 6.31
		7/9 6.06

^{1/} Upper limit raised from 6 to $6\frac{1}{2}$ per cent by a majority vote of the Committee on June 26, with the understanding that the added leeway would be used only if another week's data confirmed excessive strength in the monetary aggregates.

(2) Until the early days of July, incoming data on the monetary aggregates were running well ahead of earlier staff projections, implying growth in M_1 and M_2 at rates substantially in excess of the Committee's ranges of tolerance. The Desk responded to this evidence of excessive monetary growth, first by seeking a Federal funds rate moving up to around $5\frac{3}{4}$ per cent, and then by raising the target to the 6 per cent upper limit of the Committee's range. On June 26 a majority of the Committee concurred with the Chairman's recommendation to increase the upper limit of the funds rate range to $6\frac{1}{4}$ per cent, on the understanding that the additional leeway would be utilized "only in the event that another week's data confirm excessive strength in monetary aggregates". In the early days of July, however, incoming data indicated a weakening of the monetary aggregates relative to staff projections; thus, the additional leeway was not used.

(3) Special factors affecting the Federal funds market did force the average funds rate above 6 per cent, however, in late June and early July. On the two trading days that preceded the Monday, June 30 bank statement date, the daily funds rate rose to 6.31 and 6.61 per cent, respectively, as banks positioned themselves to minimize borrowing on the statement date itself. As a result, even though the rate then dropped back to around 6 per cent, the average for the week was 6.31 per cent. On Thursday, July 3, banks scrambled to bolster their reserve positions before the long holiday weekend. This forced the funds rate up to about $6\frac{1}{4}$ per cent. After the holiday weekend,

however, the funds rate fell back, fluctuating generally between $5\frac{3}{4}$ and 6 per cent. Member bank borrowing at Federal Reserve Banks rose to nearly \$1.5 billion just prior to the end-of-June statement date and averaged \$871 million in that week. In the statement week just ended member borrowing averaged \$223 million, still somewhat on the high side of recent experience.

(4) Advances in short-term rates during the intermeeting period were most pronounced in the Treasury bill market. The 3-month bill--after reaching a peak rate of 6.20 per cent in last Monday's auction--has traded most recently at around 6 per cent, which compares with a level just above 5 per cent prevailing at the time of the last meeting. The advance in bill rates was particularly large because dealers had previously built up positions in anticipation of the seasonal contraction in bill supply during the latter half of June. When the funds rate then began to rise after mid-June, dealers pressed aggressively to reduce their swollen positions. The impact of this shift in dealer strategy was augmented when foreign buyers at the same time began cutting back on demands for bills and the Treasury shortly resumed its net additions to supply in bill auctions. Other short-term rates responded to the rise in Federal funds and Treasury bill rates--showing net advances of 75 to 100 basis points over the intermeeting period.

(5) In longer-term securities markets, yield advances for the intermeeting period amounted to about 20-30 basis points on Treasury and new high grade corporate issues. Most recently, however, these markets have stabilized, and new issues have been readily distributed.

Rates on State and local government securities showed little net change for the period, but they were already close to their 1974 highs. Mortgage rates have been generally stable, although the volume of mortgage offerings accepted in FNMA secondary market auctions has grown.

(6) The table on the following page shows (in percentage annual rates of change) selected monetary and financing flows over various time periods. Appendix table III compares money supply growth rates computed on a quarterly-average basis with those computed on a last-month-of-quarter basis.

	Calendar Year	Twelve Months	Past Six Months	Past Three Months	Past Month
	1974	June '75 over June '74	June '75 over Dec. '74	June '75 over Mar. '75	June '75 over May '75
Total reserves	8.6	1.2	-3.5	1.4	10.7
Nonborrowed reserves	10.8	10.1	- .7	--	5.1
Reserves available to support private nonbank deposits	8.9	1.5	-2.0	.8	9.6
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	4.8	5.0	6.8	11.2	18.2
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	7.2	8.4	11.0	13.3	18.8
M ₃ (M ₂ plus deposits at thrift institutions)	6.8	9.4	13.0	15.3	18.8
M ₄ (M ₂ plus CD's)	10.7	7.8	7.8	8.5	14.1
M ₅ (M ₃ plus CD's)	9.0	8.9	10.8	12.0	15.8
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	10.2	5.5	5.4	7.6	15.3
Loans and investments of commercial banks <u>2/</u>	9.2	3.3	3.4	2.3	.9
<u>Short-term Market Paper</u>					
(Monthly average change in billions)					
Large CD's	2.2	.2	-1.0	-1.9	-1.4
Nonbank commercial paper	.4	.2	- .1	- .5	- .3

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

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

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

Prospective developments

(7) Summarized below for Committee consideration are three alternative short-run operating specifications for policy. More detailed figures, including associated longer-run growth rates, are presented in the tables on pp. 6a and 6b. Alternative operating guides expressed in terms of nonborrowed reserves, as well as other related reserve measures, are shown in appendix table IV.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges of tolerance for July-Aug.			
M ₁	4 to 6	3½ to 5½	3 to 5
M ₂	9 to 11	8½ to 10½	8 to 10
RPD	-½ to 1½	-1½ to ½	-2½ to -½
Federal funds rate (intermeeting range)	5 to 6	5½ to 6½	6½ to 7½
Memorandum item: 6-month annual growth rate (June '75- Dec. '75)			
M ₁	8	7	6
M ₂	11	10	9

(8) The short-run specifications of alternative B involve maintenance of prevailing money market conditions between now and the next Committee meeting. Thus, the Federal funds rate range shown is centered on 6 per cent. It is expected that growth in M₁ and M₂ over the two-month July-August period will slow considerably from the recent extreme pace. M₁ is likely to expand in a 3½-5½ per cent annual rate

Alternative Longer-Run Growth Rates for Key Monetary Aggregates

		<u>M₁</u>			<u>M₂</u>			<u>M₃</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975	June	294.1	294.1	294.1	647.3	647.3	647.3	1045.7	1045.7	1045.7
	July	293.8	293.8	293.7	651.0	650.9	650.7	1055.1	1054.9	1054.6
	August	296.5	296.4	296.2	657.8	657.4	656.8	1066.6	1065.9	1065.0
1975	Dec.	305.7	304.2	302.9	682.8	679.9	676.8	1108.3	1104.0	1099.6
1976	June	312.5	310.7	310.7	704.0	698.9	695.3	1145.9	1137.2	1129.8
1975	QII-Av.	290.3	290.3	290.3	638.3	638.3	638.3	1030.8	1030.8	1030.8
	QIV-Av.	303.5	302.5	301.6	676.7	674.5	672.2	1098.3	1095.0	1091.4
1976	QII-Av.	310.2	308.6	308.6	700.0	695.3	692.0	1139.6	1131.6	1124.9
June '75 - Dec. '75		7.9	6.9	6.0	11.0	10.1	9.1	12.0	11.2	10.3
Dec. '75 - June '76		4.4	4.3	5.2	6.2	5.6	5.5	6.8	6.0	5.5
QII-Av. '75-QIV Av. '75		9.1	8.4	7.8	12.0	11.3	10.6	13.1	12.5	11.8
QIV-Av. '75-QII-Av. '76		4.4	4.0	4.6	6.9	6.2	5.9	7.5	6.7	6.1
June '75 - June '76		6.3	5.7	5.7	8.8	8.0	7.4	9.6	8.8	8.0
QII-Av. '75-QII-Av. '76		6.9	6.3	6.3	9.7	8.9	8.4	10.6	9.8	9.1

Alternative Longer-Run Growth Rates for Key Monetary Aggregates (cont'd)

		<u>M₄</u>			<u>M₅</u>			<u>Credit Proxy</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975	June	731.4	731.4	731.4	1129.8	1129.8	1129.8	507.6	507.6	507.6
	July	734.1	733.9	733.7	1138.2	1137.9	1137.6	505.4	505.2	505.1
	August	739.4	738.9	738.4	1148.2	1147.4	1146.6	507.5	507.1	506.8
	Dec.	764.2	761.9	759.7	1189.7	1185.8	1181.9	523.0	521.6	520.2
1976	June	791.2	787.3	785.0	1233.2	1225.6	1219.5	538.1	535.8	534.6
1975	QII-Av.	724.4	724.4	724.4	1116.8	1116.8	1116.8	503.0	503.0	503.0
	QIV-Av.	758.1	756.3	754.5	1179.8	1176.7	1173.6	519.3	518.1	517.0
1976	QII-Av.	786.0	782.3	780.2	1225.6	1218.6	1213.1	534.4	532.4	531.1
	June '75-Dec. '75	9.0	8.3	7.7	10.6	9.9	9.2	6.1	5.5	5.0
	Dec. '75-June '76	7.1	6.7	6.7	7.3	6.7	6.4	5.8	5.4	5.5
	QII-Av. '75-QIV-Av. '75	9.3	8.8	8.3	11.3	10.7	10.2	6.5	6.0	5.6
	QIV-Av. '75-QII-Av. '76	7.4	6.9	6.8	7.8	7.1	6.7	5.8	5.4	5.5
	June '75-June '76	8.2	7.6	7.3	9.2	8.5	7.9	6.0	5.6	5.3
	QII-Av. '75-QII-Av. '76	8.5	8.0	7.7	9.7	9.1	8.6	6.2	5.8	5.6

range, and M_2 in an $8\frac{1}{2}$ - $10\frac{1}{2}$ per cent range. Preliminary data for M_1 in late June and early July indicate an unwinding of the recent deposit expansion and support the view that the upsurge in good part reflected temporary factors (tax rebates and one-time payments to social security recipients). For July, M_1 growth is expected to be slightly negative, while growth in August is expected to resume at a pace more consonant with underlying transactions demands, given prevailing money market conditions.

(9) While alternative B calls for maintenance of prevailing money market conditions in the short-run, given the temporary slowing expected in M_1 growth, it appears likely that money market conditions will need to be tightened further later on in order to achieve growth in the aggregates as indexed by expansion in M_1 over the next year at around the center of the 5 - $7\frac{1}{2}$ per cent range adopted by the Committee at its last meeting. The staff at this point believes that the funds rate might need to rise to the neighborhood of 8 per cent by fall, if the projected 13 per cent annual rate of increase in nominal GNP for the second half of 1975 materializes. On that assumption we would expect M_1 growth in the second half of 1975 to be at about a 7 per cent annual rate; a lower growth rate in the first half of 1976 would hence be required if the Committee's longer-run M_1 target is to be achieved.

(10) In the table on p. 6a, under alternative B, the one-year growth rate for M_1 from June '75 to June '76 is shown as $5\frac{3}{4}$ per cent-- which is $\frac{1}{2}$ point below the mid-point of the 5 - $7\frac{1}{2}$ per cent target range. The staff used such a rate in the alternative B calculations because the substantial overshoot in M_1 growth during June raised the base

level for that month by about \$1.7 billion above the estimate made at the previous FOMC meeting. Over the 12-month period from June 1975 to June 1976, M_1 would therefore have to grow about $\frac{1}{2}$ per cent less than indicated earlier if the Committee wished to ensure that the June overshoot did not permanently raise the money supply. The long-run growth rate under alternative B measured on a quarterly average basis--that is, from the average level for M_1 in the second quarter of 1975 to the average level in the second quarter of 1976--is around $6\frac{1}{2}$ per cent, as is also shown in the table.

(11) The same one-year growth rates are shown for alternative C as for alternative B--with alternative C implying a somewhat different pattern of monetary growth rates and interest rate movements over the two six month periods, as will be noted below. Alternative A includes a growth rate for the June '75-June '76 period of $6\frac{1}{2}$ per cent from the current estimate of the June '75 base. Thus, it is keyed to the mid-point of the $5-7\frac{1}{2}$ per cent range adopted by the Committee for that period at its last meeting and, in effect, "forgives" the June overshoot. This alternative implies M_1 growth from QII '75 to QII '76 of around $6-3/4$ per cent.

(12) The short-run specifications for alternative C contemplate some further near-term tightening of the money market, involving a Federal funds rate range of $6\frac{1}{4}-7\frac{1}{4}$ per cent for the period until the next meeting. Adoption of this alternative would introduce an increased monetary restraint earlier than under alternative B. As a result, the staff would expect that less additional pressure would have to be exerted on the Federal funds rate

later on to achieve targeted growth in the monetary aggregates over the next year. Over the July-August period M_1 growth under this alternative would be expected to be at about a 3-5 per cent annual rate, with growth over the last half of 1975 at around a 6 per cent annual rate, or one percentage point less than under alternative B.

(13) If the Federal funds rate were to rise in coming weeks to the $6\frac{1}{2}$ per cent mid-point of the alternative C range, a very substantial upward adjustment in other short-term rates would likely ensue. The 3-month bill rate would probably move up to around 7 per cent, the commercial paper rate to around $7\frac{1}{2}$ per cent, and the general level of the prime loan rate would adjust upwards. However, if the Federal funds rate were stabilized at around 6 per cent, as is contemplated under alternative B, no more than minor upward market rate adjustments, if any, would seem likely in the weeks immediately ahead. The Treasury will be adding substantial amounts to weekly and monthly bill auctions, but private short-term credit demands still appear weak enough so that Treasury bills can probably be readily marketed to banks and other investors.

(14) On July 23, the Treasury will announce the terms of its mid-August refunding of \$4.8 billion of maturing publicly-held coupon issues and will probably also raise some new cash at that time. While specific maturity areas of the new offerings are still uncertain, it seems clear that intermediate-term issues will be involved and possibly a longer-term option as well. In the corporate bond market, a continued large volume of new issues is expected this summer, though less than in

June. The municipal volume will also be large, including another \$1 billion from the Municipal Assistance Corporation for New York City, in late July or August and a third \$1 billion by early fall. Given these near-term demands on bond markets, any appreciable further tightening of the money market in the weeks ahead would be likely to exert some additional upward pressure on longer-term interest rates. Such pressures could be moderated, of course, by postponements of corporate bond issues-- as might happen if borrowers thought that inflation was coming under control and, therefore, that higher bond yields were not sustainable over the longer run.

(15) Alternative A involves an easing of money market conditions over the near-term, which in effect reverses the recent tightening. Market interest rates would tend to decline in sympathy, but declines might be quite modest as many market participants may assume that the easing in money market conditions will be transitory, given the consensus forecast of a strengthening in economic activity. Indeed, the staff believes that under this alternative, short-term rates would have to begin rising again by late summer or early fall to achieve longer-term objectives for the monetary aggregates.

(16) Under all three alternatives net inflows of time and savings deposits (other than large money market CD's) to banks and to thrift institutions are expected to slow from their recent unusually rapid pace that included the effects on savings of tax rebates and one-time social security payments. The slowdown would be greatest over the near-term under alternative C, which involves the probability of a

significant further rise in short-term market interest rates. Nevertheless, net inflows of consumer-type time deposits are still likely to be good-sized during the summer. Later this fall reduced inflows might be expected to exert more pronounced pressures on banks to raise additional funds in the CD market and on thrift institutions to borrow from Home Loan Banks and commercial banks under either alternatives B or C.

Proposed directive

(17) Presented below are four alternative formulations for the operational paragraph of the directive. The first three are intended to correspond to the similarly lettered policy alternatives discussed in the preceding section, while the fourth may be associated with any of the policy alternatives. In all of the alternatives, it is proposed to include a reference to Treasury financing because of the regular mid-August financing that will be announced on July 23.

Alternative A

To implement this policy, while taking account of THE FORTHCOMING TREASURY FINANCING AND OF developments in domestic and international financial markets, the Committee seeks to achieve SOMEWHAT EASIER bank reserve and money market conditions OVER THE PERIOD IMMEDIATELY AHEAD, ~~con-~~
~~sistent-with-moderate~~ PROVIDED THAT growth in monetary aggregates APPEARS TO BE SLOWING SUBSTANTIALLY ~~over-the~~
~~months-ahead~~.

Alternative B

To implement this policy, while taking account of THE FORTHCOMING TREASURY FINANCING AND OF developments in domestic and international financial markets, the Committee seeks to achieve MAINTAIN ABOUT THE PREVAILING bank reserve and money market conditions OVER THE PERIOD IMMEDIATELY AHEAD, ~~con-~~
~~sistent-with-moderate~~ IN THE EXPECTATION THAT growth in monetary aggregates WILL SLOW SUBSTANTIALLY ~~over-the-months~~
~~ahead~~.

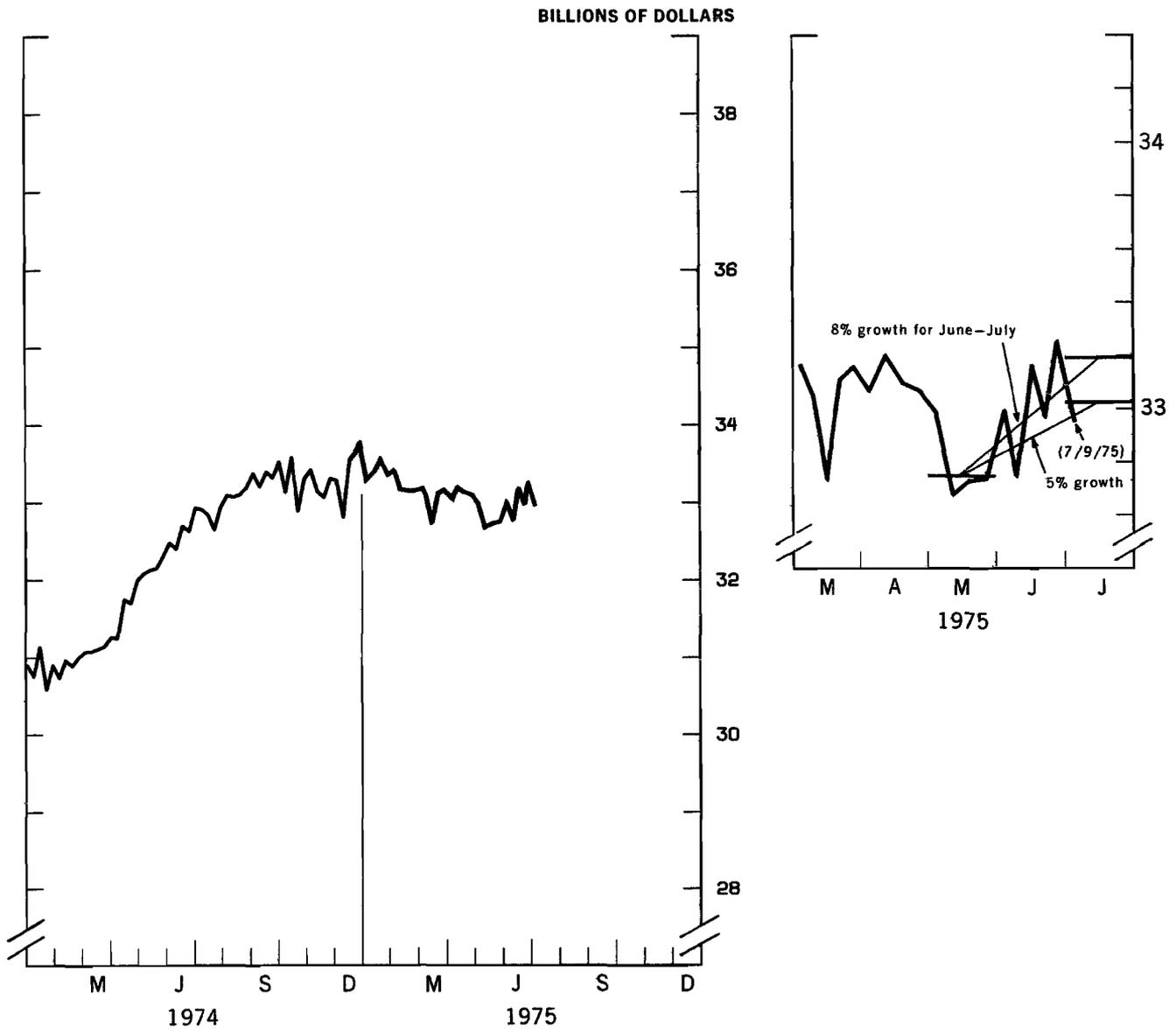
Alternative C

To implement this policy, while taking account of THE FORTHCOMING TREASURY FINANCING AND OF developments in domestic and international financial markets, the Committee seeks to achieve SOMEWHAT TIGHTER bank reserve and money market conditions OVER THE PERIOD IMMEDIATELY AHEAD, **consistent with-moderate** IN ORDER TO ENCOURAGE A SUBSTANTIAL SLOWING OF growth in monetary aggregates **over-the-months-ahead**.

Possible substitute wording for all alternatives

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

RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS

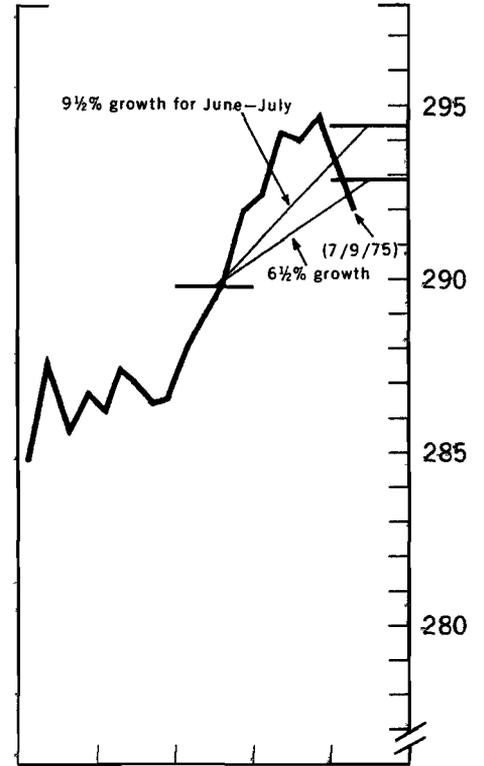
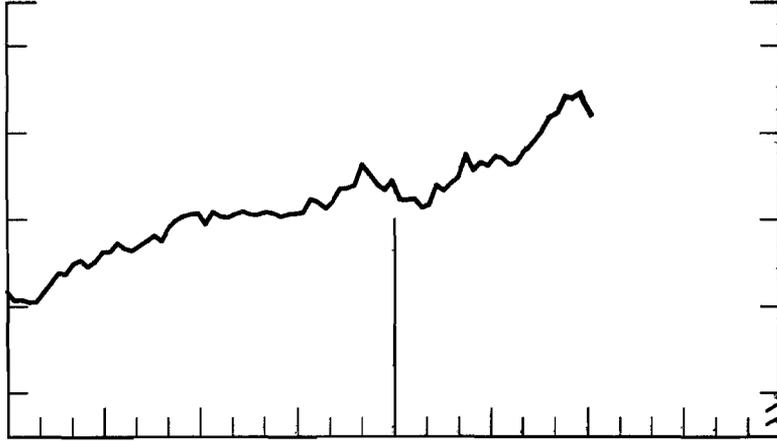


RPD series has been adjusted to remove discontinuities associated with changes in reserve requirement ratios

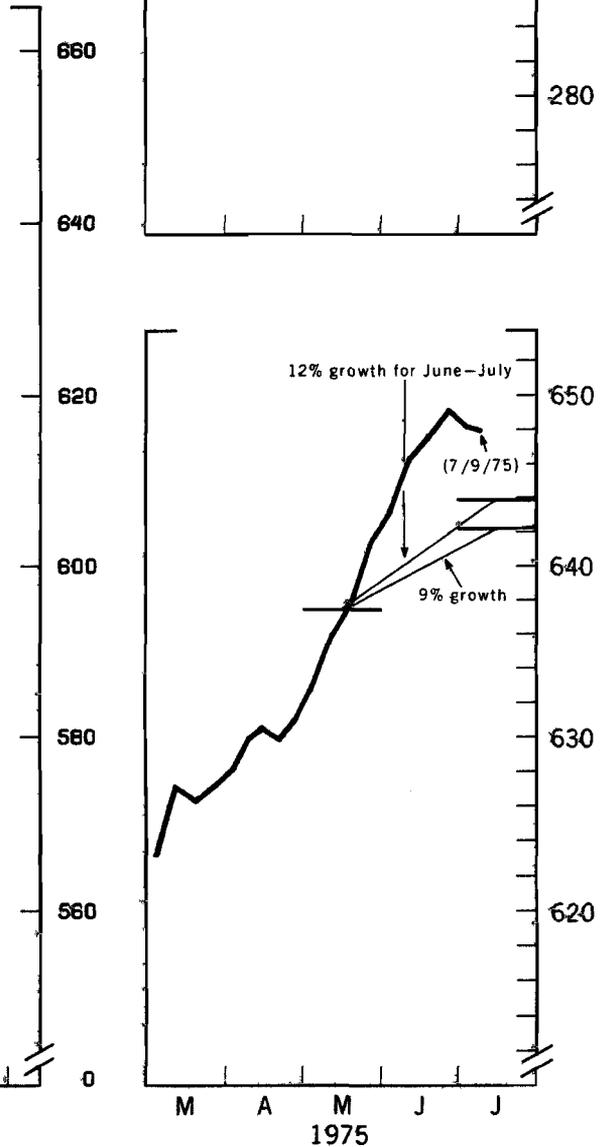
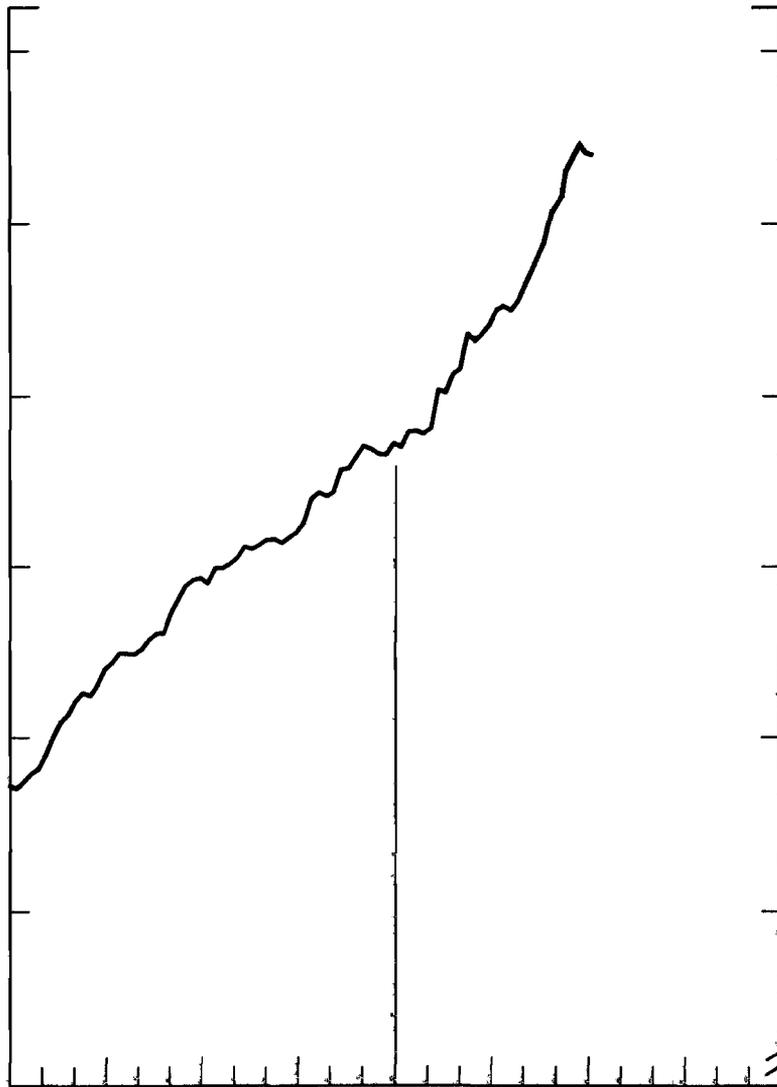
MONETARY AGGREGATES

NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY M2



1974

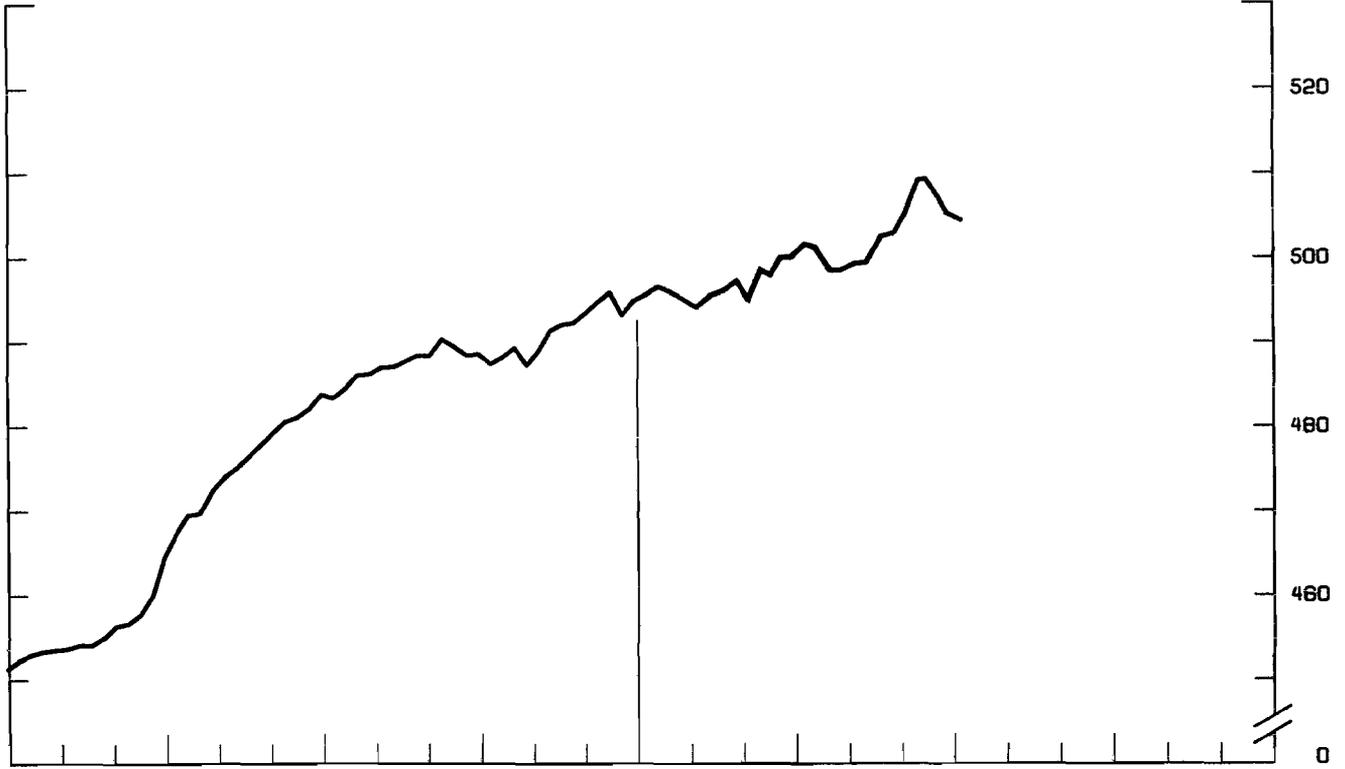
1975

M A M J J
1975

MONETARY AGGREGATES

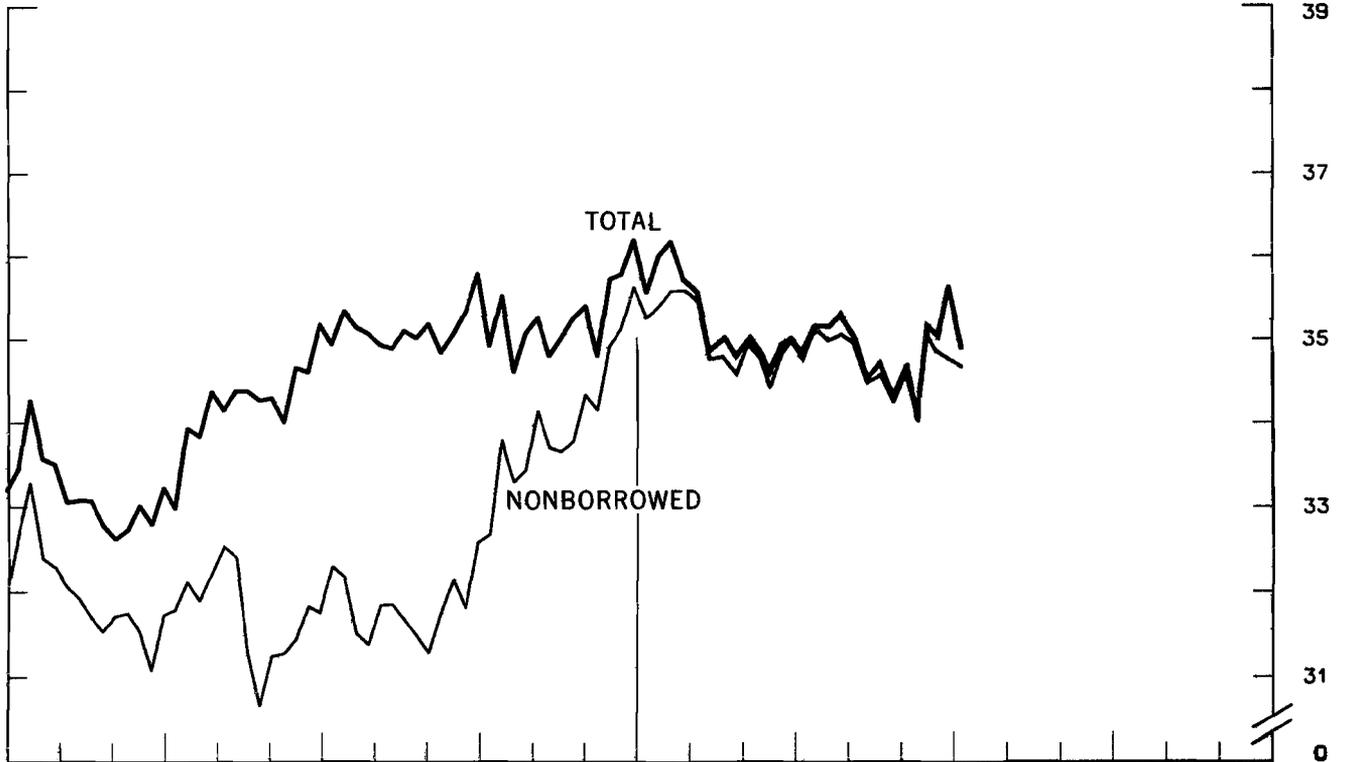
ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



RESERVES

BILLIONS OF DOLLARS



1974

1975

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

MONEY MARKET CONDITIONS AND INTEREST RATES

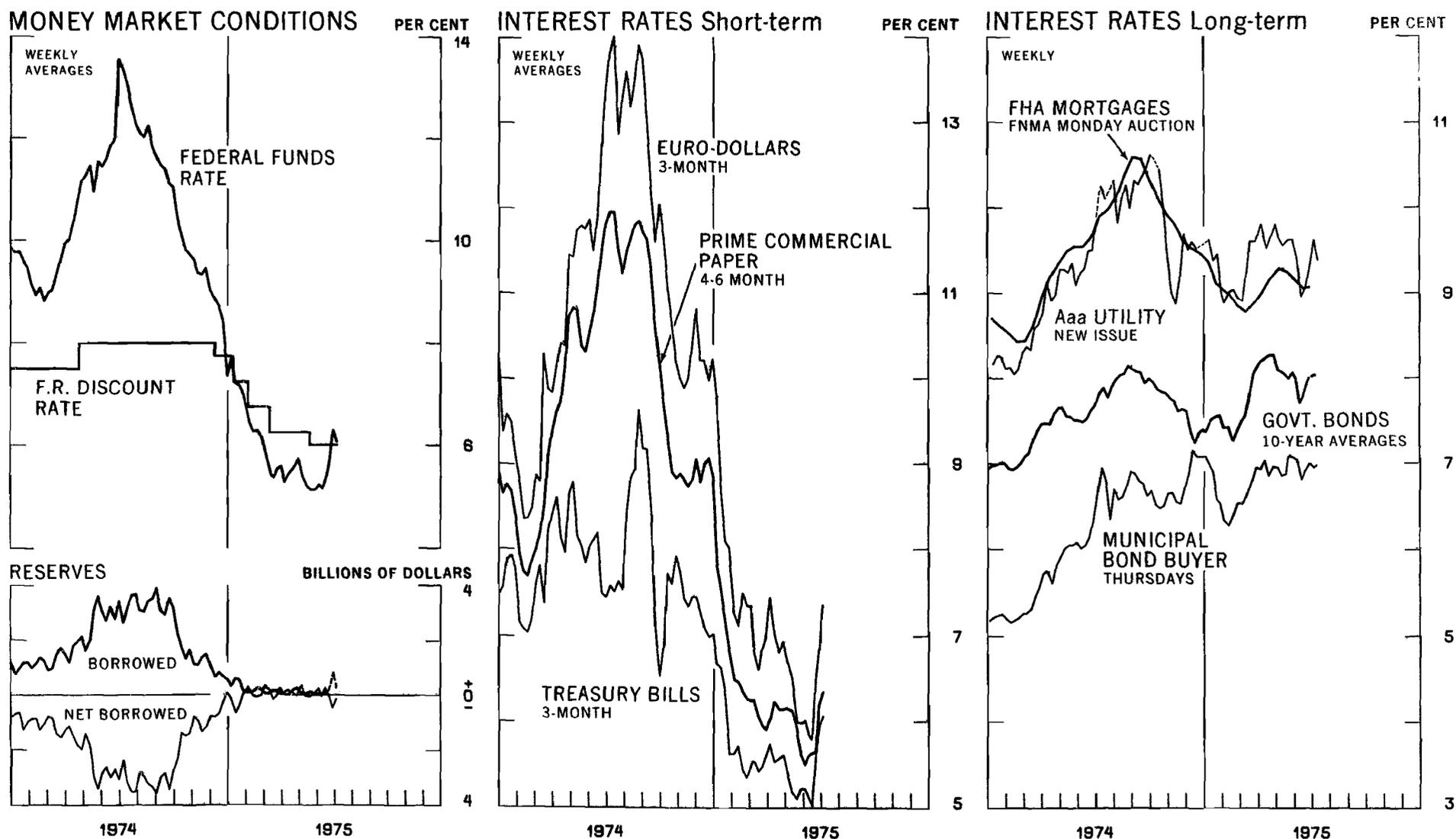


TABLE 1
BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

JULY 11, 1975

Period	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES				
			Total Reserves	Nonborrowed Reserves	SEASONALLY ADJUSTED				
	SA	NSA			Total Required	Private Demand	Other Time Deposits	CD's and Nondeposits	Gov't. and Interbank
	1	2	3	4	5	6	7	8	9
MONTHLY LEVELS--\$MILLIONS									
1975--MAR.	32,951	32,694	34,764	34,658	34,564	19,236	8,868	4,643	1,817
APR.	33,032	33,098	35,003	34,892	34,845	19,474	8,796	4,602	1,973
MAY	32,752	32,608	34,581	34,515	34,422	19,405	8,715	4,471	1,830
JUNE	(33,014)	(32,753)	(34,888)	(34,661)	(34,668)	(19,799)	(8,666)	(4,330)	(1,874)
JULY	(32,915)	(32,789)	(35,003)	(34,840)	(34,816)	(19,807)	(8,610)	(4,311)	(2,088)
PERCENT ANNUAL GROWTH									
QUARTERLY									
1974--3RD QTR.	9.1		8.3	5.5	8.4	0.0	11.0		
4TH QTR.	0.8		3.5	35.9	2.8	5.3	6.5		
1975--1ST QTR.	-4.7		-8.3	-1.4	-7.7	-4.2	-7.6		
2ND QTR.	(0.8)		(1.4)	(0.0)	(1.2)	(11.7)	(-9.1)		
MONTHLY									
1975--MAR.	-5.5		-5.5	-4.1	-5.8	8.9	-17.1		
APR.	2.9		8.3	8.1	9.8	14.8	-9.7		
MAY	-10.2		-14.5	-13.0	-14.6	-4.3	-11.1		
JUNE	(9.6)		(10.7)	(5.1)	(8.6)	(24.4)	(-6.7)		
JULY	(-3.6)		(4.0)	(6.2)	(5.1)	(0.5)	(-7.8)		
JUNE-JULY	(3.0)		(7.3)	(5.6)	(6.9)	(12.4)	(-7.2)		
WEEKLY LEVELS--\$MILLIONS									
1975--MAY 14	32,601	32,421	34,437	34,420	34,438	19,367	8,734	4,500	1,838
21	32,649	32,384	34,617	34,496	34,532	19,411	8,697	4,455	1,969
28	32,742	32,418	34,311	34,227	34,147	19,433	8,717	4,429	1,569
JUNE 4	32,987	32,608	34,682	34,598	34,348	19,566	8,680	4,407	1,095
11	32,754	32,189	34,047	34,009	34,083	19,760	8,702	4,329	1,293
18	33,165	33,007	35,160	35,083	34,776	19,804	8,677	4,300	1,995
25	32,971	32,817	35,045	34,857	34,924	19,884	8,645	4,320	2,074
JULY 2	33,249	33,216	35,029	34,758	35,235	19,913	8,616	4,326	2,380
9	32,951	32,524	34,891	34,668	34,805	19,953	8,582	4,329	1,940

NOTE: RESERVE SERIES HAVE BEEN ADJUSTED TO REMOVE DISCONTINUITIES ASSOCIATED WITH CHANGES IN RESERVE REQUIREMENT RATIO. DATA SHOWN IN PARANTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF MAY 20, 1975 THE COMMITTEE AGREED ON A RANGE OF 6.25 TO 8.25 PERCENT FOR THE JUNE-JULY PERIOD.

Table 2

CONFIDENTIAL (F.R.)
CLASS II-FOMC**MONETARY AGGREGATES**

JULY 11, 1975

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	MONEY SUPPLY		Adjusted Credit Proxy	U.S. Govt. Deposits	TIME AND SAVINGS DEPOSITS			Nondeposit Sources of Funds
	Narrow (M1)	Broad (M2)			Total	Other Than CD's	CD's	
	1	2	3	4	5	6	7	8
MONTHLY LEVELS--\$BILLIONS								
1975--MAR.	286.1	626.4	498.1	0.7	430.0	340.3	89.8	6.5
APR.	287.1	630.4	500.2	2.1	431.7	343.3	88.4	6.7
MAY	289.7	637.3	501.2	2.1	433.1	347.6	85.5	7.4
JUNE	(294.1)	(647.3)	(507.6)	(3.8)	(437.3)	(353.2)	(84.1)	(7.0)
JULY	(293.8)	(650.8)	(505.2)	(2.4)	(440.1)	(357.1)	(83.0)	(6.9)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1974--3RD QTR.	1.0	4.2	6.7		9.1	7.1	17.2	
4TH QTR.	5.3	6.7	4.2		11.7	7.9	25.9	
1975--1ST QTR.	2.4	8.4	3.1		10.1	13.6	-2.2	
2ND QTR.	11.2	13.3	7.6		6.8	15.2	-25.4	
MONTHLY								
1975--MAR.	11.0	11.8	5.8		3.1	12.5	-30.0	
APR.	4.2	7.7	5.1		4.7	10.6	-18.7	
MAY	10.9	13.1	2.4		3.9	15.0	-39.4	
JUNE	(18.2)	(18.8)	(15.3)		(11.6)	(19.3)	(-19.6)	
JULY	(-1.2)	(6.5)	(-5.7)		(7.7)	(13.3)	(-15.7)	
JUNE-JULY	(8.5)	(12.7)	(4.8)		(9.7)	(16.4)	(-17.5)	
WEEKLY LEVELS--\$BILLIONS								
1975--MAY 14	289.0	636.0	499.5	1.4	433.3	347.0	86.3	7.0
21	289.9	637.6	502.6	2.5	433.7	347.7	85.9	7.8
28	292.0	641.5	502.9	2.4	433.9	349.5	84.4	7.9
JUNE 4	292.4	643.1	505.7	3.6	434.6	350.7	83.9	7.5
11	294.2	646.3	509.0	5.7	436.2	352.1	84.1	7.4
18	294.1	647.6	509.2	5.0	437.7	353.5	84.1	6.8
25	294.7	649.0	507.3	2.6	438.4	354.3	84.2	6.8
JULY 2 P	293.2	648.1	505.2	1.4	439.2	354.9	84.3	6.5
9 PE	292.0	647.9	504.3	2.8	439.6	355.9	83.8	6.6

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY
PE - PARTIALLY ESTIMATED

TABLE 3
 RESERVE EFFECT OF
 OPEN MARKET OPERATIONS AND OTHER RESERVE FACTORS
 (Millions of dollars, not seasonally adjusted)

	Open Market Operations 1/					Daily Average Reserve Effects 2/			Δ in reserve categories		Δ Target
	Bills & Accept. (1)	Coupon Issues (2)	Agency Issues (3)	RP's Net (4)	Total (5)	Open Market Operations (6)	Δ Member Bank Borrowing (7)	Other 4/ Factors (8)	Req. res. against U.S.G. and interb. (9)	available res. 5/ (6)+(7)+(8)-(9) (10)	available reserves 5/ (11)
1974--Nov.	1,217	212	331	981	2,739	327	-507	201	-183	204	395
Dec.	729	280	360	-976	393	2,963	-583	-2,395	66	-81	450
1975--Jan.	-1,102	406	-14	1,097	387	-636	-313	1,548	258	341	965
Feb.	-1,015	316	295	714	309	-1,241	-243	-499	-344	-1,627	-670
Mar.	112	1,301	207	-1,758	-136	53	-41	-773	-13	-766	-495
Apr.	1,319	1,070	-2	5,442	7,829	2,229	4	-1,767	54	414	495
May	197	50	-97	-3,357	-3,207	5,064	-50	-5,747	4	-739	-170
June	-413	958	-6	-1,855	-1,317	-3,165	215	3,442	-102	594	215
July											290
Aug.											
1975--May 7	274	--	-27	-2,827	-2,580	966	-207	-1,017	-6	-252	
14	425	50	--	-698	-223	-905	-17	202	70	-790	
21	244	--	--	3,932	4,175	1,155	105	-1,075	253	-68	
28	-91	--	-71	-1,101	-1,262	-522	-38	67	-478	-15	
June 4	-724	--	-6	-4,652	-5,383	-1,364	--	-1,062	112	-2,538	
11	-582	--	--	-3,571	-4,153	-4,745	2	3,939	-385	-419	
18	222	--	--	4,054	4,276	1,107	40	83p	462	768	
25	9	333	--	3,968	4,310	2,678	110	-2,993p	-65p	-140p	
July 2	15	624	-1	-4,183	-3,545	1,832	683	-1,776p	340p	399p	
9	-192	--	--	-5,357	-5,549	-2,692	-648	2,449	-200p	-691p	
16											
23											
30											

1/ Represents change in System's portfolio from end-of-period to end-of-period; includes redemptions in regular bill auctions.

2/ Represents change in daily average level for preceding period.

3/ Includes matched sale-purchase transactions as well as RP's.

4/ Sum of changes in vault cash, currency in circulation, Treasury operations, F.R. float, gold and foreign accounts, and other F.R. accounts.

5/ Reserves to support private nonbank deposits. Target change for June and July reflects the target adopted at the June 17, 1975 FOMC meeting. Target change for previous months reflects the bluebook patterns that are consistent with target ranges that were adopted during the month.

P - Preliminary.

TABLE 4
 NET CHANGES IN SYSTEM HOLDINGS OF SECURITIES 1/
 (\$ millions, not seasonally adjusted)

Period	Treasury Bills Net Purchases <u>2/</u>	Treasury Coupons					Federal Agencies					Net Change Outright Holdings Total <u>4/</u>	Net <u>5/</u>
		Net Purchases <u>3/</u>					Net Purchases <u>3/</u>						
		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
1974--Qtr. II	874	160	232	109	54	555	106	430	229	103	870	2,188	- 358
Qtr. III	945	49	118	62	73	302	195	726	165	117	1,203	2,620	- 986
Qtr. IV	- 43	102	215	131	45	492	138	371	130	53	691	1,402	- 238
1975--Qtr. I	-2,093	33	795	625	312	1,765	69	169	285	61	584	508	53
Qtr. II	1,086	218	973	454	273	1,917	--	--	-2	--	-2	3,076	230
1975--Jan.	-1,205	14	305	61	26	406	--	--	--	--	--	-710	1,097
Feb.	-1,003	--	129	113	74	316	69	167	121	19	376	-404	714
Mar.	115	19	361	451	212	1,043	--	2	166	42	210	1,620	-1,758
Apr.	1,295	148	485	274	164	1,070	--	--	-2	--	-2	2,387	5,442
May	143	50	--	--	--	--	--	--	--	--	--	150	-3,357
June	-352	20	488	180	109	797	--	--	--	--	--	539	-1,855
1975--May 7	265	--	--	--	--	--	--	--	--	--	--	247	-2,827
14	396	50	--	--	--	50	--	--	--	--	--	476	- 698
21	236	--	--	--	--	--	--	--	--	--	--	244	3,932
28	-95	--	--	--	--	--	--	--	--	--	--	-162	-1,101
June 4	-704	--	--	--	--	--	--	--	--	--	--	-731	-4,652
11	-560	--	--	--	--	--	--	--	--	--	--	-582	-3,571
18	248	--	--	--	--	--	--	--	--	--	--	222	4,054
25	--	16	153	113	52	333	--	--	--	--	--	342	3,968
July 2	5	4	335	67	57	462	--	--	--	--	--	638	-4,183
9	-188	--	--	--	--	--	--	--	--	--	--	-192	-5,357
16													
23													
30													

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 with market and with foreign accounts only. Excludes redemptions and maturity shifts.

4/ 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.

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

TABLE 5
SECURITY DEALER POSITIONS AND BANK POSITIONS
(millions of dollars)

Period	U.S. Govt. Security Dealer Positions		Dealer Positions		Excess** Reserves	Member Bank Reserve Positions			
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)		Borrowing at FRB*		Basic Reserve Deficit	
						Total (6)	Seasonal (7)	8 New York (8)	38 Others (9)
1974--High	3,678	2,203	253	384	628	3,906	176	-7,870	-12,826
Low	-289	-309	0	27	-168	647	13	-2,447	-6,046
1975--High	6,094	2,845	464	389	577	871	22	-7,387	-11,390
Low	1,586	532	0	48	-42	18	5	-1,757	-8,070
1974--June	580	9	66	124	204	3,020	134	-4,445	-9,920
July	457	-214	14	79	162	3,075	149	-3,522	-9,555
Aug.	1,758	398	33	108	197	3,337	164	-4,231	-9,224
Sept.	2,309	552	23	85	180	3,282	139	-4,235	-8,250
Oct.	2,174	654	25	166	197	1,813	117	-4,602	-8,689
Nov.	2,900	1,608	83	268	205	1,252	67	-6,322	-9,715
Dec.	2,985	1,836	175	149	258	727	32	-5,960	-10,169
1975--Jan.	2,501	2,050	97	79	147	398	14	-5,378	-9,744
Feb.	3,329	2,121	144	166	198	147	11	-6,318	-9,533
Mar.	3,143	2,521	307	195	195	96	7	-5,732	-10,302
Apr.	2,737	1,617	35	115	143	110	6	-4,079	-10,426
May	4,744	1,752	91	170	155	66	9	-3,965	-9,567
June	*5,201	*1,351	89	118	220p	227p	11p	-5,430	-9,344
1975--May 7	4,129	532	80	130	311	34	10	-2,601	-9,175
14	4,470	2,144	55	190	-1	17	8	-4,743	-9,562
21	4,728	2,352	144	256	71	121	8	-4,093	-10,198
28	4,658	2,109	85	166	164	84	10	-3,990	-9,302
June 4	4,634	1,445	4	175	334	84	9	-4,709	-9,295
11	5,013	1,163	13	77	-36	38	11	-6,335	-10,957
18	*6,094	*1,286	143	121	334	78	10	-6,006	-11,131
25	*5,289	*1,282	197	99	121p	188p	10p	-6,013	-9,639
July 2	*4,197	*1,791	58	108	394p	871p	15p	-5,754p	-8,234p
9	*4,029	*1,310	98p	141p	87p	223p	13p	-6,639	-10,030p
16									
23									
30									

NOTE: Government security dealer trading positions are on a commitment basis. Trading positions, which exclude Treasury bills financed by repurchase agreements maturing in 16 days or more, are indicators of dealer holdings for sale over the near-term. Other security dealer positions issues still in syndicate, excluding trading positions. The basic reserve deficit is excess reserves less borrowing at Federal Reserves 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 6
SELECTED INTEREST RATES
(Per Cent)

Period	Short-Term						Long-Term				
	Federal Funds (1)	Treasury Bills		90-119 Day Commercial Paper (4)	CD's New Issue-NYC		Aaa Utility		Municipal Bond Buyer (9)	U.S. Government (20-yr. Constant Maturity) (10)	FNMA Auctions Yields (11)
		90-day (2)	1-year (3)		60-89 Day (5)	90-119 Day (6)	New Issue (7)	Recently Offered (8)			
1974--High	13.55	9.63	9.54	12.25	12.25	12.00	10.61	10.52	7.15	8.68	10.59
Low	8.45	6.53	6.39	7.88	8.00	7.88	8.05	8.14	5.16	7.40	8.43
High	7.70	7.02	6.69	9.34	9.00	9.00	9.80	9.71	7.09	8.41	9.47
Low	5.13	5.02	5.46	5.38	5.25	5.38	8.89	9.06	6.27	7.63	8.78
1974--June	11.93	7.90	8.16	11.18	11.06	10.88	9.38	9.40	6.13	8.10	9.54
July	12.92	7.55	8.04	11.93	11.83	11.83	10.20	10.04	6.68	8.26	9.84
Aug.	12.01	8.96	8.88	11.79	11.69	11.91	10.07	10.19	6.69	8.60	10.25
Sept.	11.34	8.06	8.52	11.36	11.19	11.38	10.38	10.30	6.76	8.60	10.58
Oct.	10.06	7.46	7.59	9.55	9.35	9.33	10.16	10.23	6.57	8.37	10.22
Nov.	9.45	7.47	7.29	8.95	8.78	8.72	9.21	9.34	6.61	7.99	9.87
Dec.	8.53	7.15	6.79	9.18	9.00	8.84	9.53	9.56	7.05	7.91	9.53
1975--Jan.	7.13	6.26	6.27	7.39	7.43	7.45	9.36	9.45	6.82	7.88	9.25
Feb.	6.24	5.50	5.56	6.36	6.00	6.25	8.97	9.09	6.39	7.71	8.93
Mar.	5.54	5.49	5.70	6.06	5.88	6.03	9.35	9.38	6.74	7.99	8.82
Apr.	5.49	5.61	6.40	6.11	5.85	6.03	9.67	9.66	6.94	8.36	9.06
May	5.22	5.23	5.91	5.70	5.44	5.63	9.63	9.65	6.97	8.22	9.27
June	5.55	5.34	5.86	5.67	5.34	5.51	9.20	9.33	6.94	8.04	9.10
1975--May 7	5.42	5.41	6.21	5.98	5.75	5.88	9.65	9.60	6.86	8.25	9.29
14	5.20	5.18	5.90	5.90	5.50	5.75	9.54	9.61	6.88	8.18	--
21	5.13	5.10	5.77	5.60	5.25	5.50	9.61	9.66	7.09	8.16	9.25
28	5.14	5.22	5.76	5.38	5.25	5.40	9.62	9.70	7.09	8.24	--
June 4	5.24	5.23	5.79	5.43	5.25	5.40	9.41	9.53	7.05	8.16	9.14
11	5.15	5.12	5.63	5.55	5.25	5.38	8.95	9.22	6.80	7.95	--
18	5.31	5.02	5.53	5.53	5.25	5.50	9.07	9.14	6.93	7.99	9.06
25	5.72	5.63	6.13	5.78	5.63	5.75	9.37	9.41	7.00	8.07	--
July 2	6.31	5.94	6.45	6.20	5.88	6.00	9.62	9.30	6.96	8.13	9.07
9	6.06	6.06	6.51	6.28	6.00	6.13	9.38p	9.37p	6.98	8.19p	--
16											
23											
30											
Daily--July 3	6.24	6.00	6.52	6.25	--	--	--	--	--	8.16	--
10	5.88p	6.04	6.51	6.25	--	--	--	--	--	n.a.	--

NOTE: Weekly data for columns 1 to 4 are statement week averages of daily data. Columns 5 and 6 are one-day Wednesday quotes. For columns 7, 8, and 10 the weekly date is the mid-point of the calendar week over which data are averaged. Column 9 is a one-day quote for Thursday following the end of the statement week. Column 11 gives FNMA auction data for the Monday preceding the end of the statement week. The FNMA auction yield is the average yield in bi-weekly auction for short-term forward commitments for Government underwritten mortgages.

P-- Preliminary.

APPENDIX TABLE 1-A
MONEY AND CREDIT AGGREGATE MEASURES JULY 11, 1975

Period	RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non borrowed	Available to Support Pvt Deposits	Adj Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
	(Per cent annual rates of growth)											
ANNUALLY:												
1972	10.8	7.5	10.1	11.3	14.6	8.7	11.1	13.2	12.5	14.0	12.9	12.9
1973	7.8	7.2	9.2	10.4	13.5	6.1	8.8	8.8	11.6	10.6	11.2	11.9
1974	8.6	10.8	8.9	10.2	9.2	4.8	7.2	6.8	10.7	9.0	9.1	8.9
SEMI-ANNUALLY:												
2ND HALF 1973	8.9	13.2	8.2	6.8	9.6	4.7	8.3	7.6	8.5	7.8	8.4	10.0
1ST HALF 1974	11.0	0.5	12.6	14.5	15.0	6.3	8.7	7.9	13.3	10.9	11.0	11.0
2ND HALF 1974	5.9	21.0	4.9	5.4	3.1	3.1	5.5	5.4	7.5	6.7	6.9	6.5
1ST HALF 1975	-3.5	-0.7	-2.0	5.4	3.4	6.8	11.0	13.0	7.8	10.8	10.7	10.7
QUARTERLY:												
2ND QTR. 1974	20.5	-0.1	19.1	20.4	12.0	7.0	7.9	6.8	15.3	11.6	11.6	11.6
3RD QTR. 1974	8.3	5.5	9.1	6.7	7.3	1.0	4.2	3.9	5.8	4.9	5.6	6.3
4TH QTR. 1974	3.5	35.9	0.8	4.2	-1.0	5.3	6.7	6.9	9.1	8.4	8.1	6.6
1ST QTR. 1975	-8.3	-1.4	-4.7	3.1	4.3	2.4	8.4	10.4	7.0	9.3	8.3	8.0
2ND QTR. 1975	1.4	0.0	0.8	7.6	2.3	11.2	13.3	15.3	8.5	12.0	12.8	13.1
MONTHLY:												
1974--JUNE	7.6	-7.6	15.7	13.6	5.8	10.4	11.2	9.1	14.7	11.7	11.5	11.3
JULY	21.6	12.5	8.6	9.2	17.6	1.7	5.0	4.8	8.5	7.1	8.0	8.5
AUG.	-3.9	-5.6	10.8	6.4	11.1	0.4	4.6	3.8	4.4	3.7	4.2	5.3
SEPT.	7.0	9.7	7.8	4.2	-6.9	0.9	3.0	3.0	4.4	4.0	4.4	5.0
OCT.	-3.1	51.8	-1.5	-0.2	1.4	3.8	8.4	7.1	9.8	8.0	8.8	8.5
NOV.	-1.7	18.4	-2.7	5.2	5.0	8.5	7.9	7.7	5.7	6.4	5.8	3.6
DEC.	15.6	34.8	6.5	7.6	-9.5	3.4	3.7	5.9	11.5	10.7	9.5	7.4
1975--JAN.	7.9	19.4	0.0	3.6	3.5	-9.3	3.9	6.5	7.7	8.7	8.9	8.1
FEB.	-27.3	-19.1	-8.6	-0.2	2.8	5.5	9.4	10.5	6.9	8.7	7.3	7.3
MAR.	-5.5	-4.1	-5.5	5.8	6.7	11.0	11.8	14.0	6.2	10.4	8.4	8.5
APR.	8.3	8.1	2.9	5.1	2.4	4.2	7.7	11.9	4.5	9.4	9.7	9.7
MAY	-14.5	-13.0	-10.2	2.4	3.8	10.9	13.1	14.6	6.8	10.3	9.9	9.9
JUNE P	10.7	5.1	9.6	15.3	0.9	18.2	18.8	18.8	14.1	15.8	18.4	19.3

NOTES: RESERVE REQUIREMENTS ON EURODDOLLAR BORROWINGS ARE INCLUDED BEGINNING OCTOBER 16, 1969, AND REQUIREMENTS ON BANK-RELATED COMMERCIAL PAPER ARE INCLUDED BEGINNING OCTOBER 1, 1970.
^{1/} BASED ON DATA ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS.
P - PRELIMINARY.

MONEY AND CREDIT AGGREGATE MEASURES

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

JULY 11, 1975

Period	RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Available to Support Pvt. Deposits	Adj. Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:												
1972	30,330	29,281	28,039	406.4	559.0	255.8	525.7	844.9	569.7	888.8	985.5	1013.1
1973	32,689	31,391	30,610	448.7	634.6	271.5	572.2	919.6	636.0	983.4	1095.4	1133.6
MONTHLY:												
1974--JUNE	34,479	31,473	32,536	481.2	682.9	280.0	597.1	955.8	678.4	1037.1	1155.4	1196.1
JULY	35,101	31,800	32,770	484.9	692.9	280.4	599.6	959.6	683.2	1043.2	1163.1	1204.6
AUG.	34,988	31,652	33,064	487.5	699.2	280.5	601.9	962.6	685.7	1046.4	1167.2	1209.9
SEPT.	35,191	31,909	33,278	489.2	695.2	280.7	603.4	965.0	688.2	1049.9	1171.5	1214.9
OCT.	35,099	33,286	33,236	488.3	696.0	281.6	607.6	970.7	693.8	1056.9	1180.1	1223.5
NOV.	35,048	33,795	33,160	491.2	697.4	283.6	611.6	976.9	697.1	1062.5	1185.8	1227.2
DEC.	35,503	34,776	33,341	494.3	691.9	284.4	613.5	981.7	703.8	1072.0	1195.2	1234.8
1975--JAN.	35,737	35,339	33,341	495.8	693.9	282.2	615.5	987.0	708.3	1079.8	1204.1	1243.1
FEB.	34,925	34,777	33,103	495.7	695.5	283.5	620.3	995.6	712.4	1087.6	1211.4	1250.7
MAR.	34,764	34,658	32,951	498.1	699.4	286.1	626.4	1007.2	716.1	1097.0	1219.9	1259.6
APR.	35,003	34,892	33,032	500.2	700.8	287.1	630.4	1017.2	718.8	1105.6	1229.8	1269.8
MAY	34,581	34,515	32,752	501.2	703.0	289.7	637.3	1029.6	722.9	1115.1	1239.9	1280.3
JUNE P	34,888	34,661	33,014	507.6	703.5	294.1	647.3	1045.7	731.4	1129.8	1258.9	1300.9
WEEKLY:												
1975--MAY 14	34,437	34,420	32,601	499.5		289.0			722.3			
21	34,617	34,496	32,649	502.6		289.9	636.0		723.5			
28	34,311	34,227	32,742	502.9		292.0	637.6		725.9			
JUNE 4	34,682	34,598	32,987	505.7		292.4	643.1		727.0			
11	34,047	34,009	32,754	509.0		294.2	646.3		730.4			
18	35,160	35,083	33,165	509.2		294.1	647.6		731.7			
25P	35,045	34,857	32,971	507.3		294.7	649.0		733.2			
JULY 2P	35,629	34,758	33,249	505.2		293.2	648.1		732.4			

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURODOLLAR BORROWINGS OF U.S. BANKS. WEEKLY DATA ARE DAILY AVERAGES FOR STATEMENT WEEKS. MONTHLY DATA ARE DAILY AVERAGES. WEEKLY DATA ARE NOT AVAILABLE FOR M₃, M₅, M₆, M₇, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

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

P - PRELIMINARY

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares ^{1/}	Credit Union Shares ^{1/}	CD's	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities ^{1/}	Commercial Paper ^{1/}
	1	2	3	4	5	6	7	8	9	10
(Per cent annual rates of growth)										
ANNUALLY:										
1972	8.2	8.9	15.7	13.5	16.7	18.0	31.0	6.1	0.5	15.0
1973	8.3	5.5	16.2	11.4	8.5	13.9	45.3	5.1	30.9	38.8
1974	10.2	3.1	15.1	9.4	5.6	11.8	41.5	4.8	15.7	3.4
SEMI-ANNUALLY:										
2ND HALF 1973	7.8	3.8	11.4	11.6	6.3	9.4	10.6	4.1	27.0	70.7
1ST HALF 1974	9.7	5.2	18.6	10.9	5.9	13.0	54.9	4.3	19.2	12.5
2ND HALF 1974	10.2	1.0	10.5	7.6	5.1	9.9	22.1	5.2	11.2	-5.4
1ST HALF 1975	9.4	6.0	8.5	14.6	16.2	18.2	-13.7	5.7	13.9	12.1
QUARTERLY:										
2ND QTR. 1974	8.2	6.6	21.3	8.8	3.9	15.9	78.2	4.6	19.9	10.1
3RD QTR. 1974	8.0	-1.1	9.1	7.1	3.1	7.6	17.2	5.2	18.2	25.6
4TH QTR. 1974	12.1	3.2	11.7	7.9	6.9	12.0	25.9	5.2	4.0	-34.2
1ST QTR. 1975	9.4	0.2	10.1	13.6	13.1	20.4	-2.2	6.4	-7.3	1.0
2ND QTR. 1975	9.2	11.8	6.8	15.2	18.6	15.2	-25.4	5.0	35.8	23.2
MONTHLY:										
1974--JUNE	5.6	11.8	18.0	11.8	4.3	18.6	42.8	3.9	17.1	5.9
JULY	3.7	1.1	13.3	7.9	4.7	4.6	33.9	5.9	27.3	23.6
AUG.	13.0	-3.3	7.1	8.6	1.8	9.1	2.9	3.9	14.4	31.8
SEPT.	7.3	-1.1	6.8	4.5	2.9	9.1	14.3	5.8	12.2	19.7
OCT.	10.9	2.2	13.5	11.9	4.3	9.0	19.8	5.8	24.1	2.8
NOV.	16.2	5.6	4.4	7.7	7.1	13.4	-9.7	5.8	-2.0	-55.3
DEC.	8.9	1.7	16.8	4.0	9.2	13.2	67.4	3.8	-9.9	-52.2
1975--JAN.	5.3	-13.9	18.9	15.3	9.9	17.5	31.9	7.6	15.9	-15.2
FEB.	10.6	3.9	8.2	12.6	11.5	17.2	-7.8	5.7	-15.7	6.1
MAR.	12.2	10.6	3.1	12.5	17.6	25.4	-30.0	5.7	-21.9	12.2
APR.	1.7	5.0	4.7	10.6	18.4	20.8	-18.7	5.6	18.2	12.1
MAY	12.1	10.5	3.9	15.0	17.1	16.3	-39.4	5.6	6.0	9.0
JUNE P	13.7	19.7	11.6	19.3	19.5	8.1	-19.6	3.7	81.5	47.5

NOTES: RESERVE REQUIREMENTS ON EURODOLLAR BORROWINGS ARE INCLUDED BEGINNING OCTOBER 16, 1969, AND REQUIREMENTS ON BANK-RELATED COMMERCIAL PAPER ARE INCLUDED BEGINNING OCTOBER 1, 1970.

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

P - PRELIMINARY.

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares ^{1/}	Credit Union Shares ^{1/}	CD's	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities	Commercial Paper ^{1/}	Non-deposit Funds	U S Gov't Demand
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:												
1972	56.9	198.9	313.8	269.9	297.5	21.6	43.9	57.0	39.8	27.6	4.3	5.6
1973	61.6	209.9	364.5	300.7	322.8	24.6	63.8	59.9	52.1	38.3	6.6	3.9
MONTHLY:												
1974--JUNE	64.6	215.4	398.4	317.1	332.4	26.2	81.3	61.2	57.1	40.7	8.4	5.3
JULY	64.8	215.6	402.8	319.2	333.7	26.3	83.6	61.5	58.4	41.5	9.2	4.2
AUG.	65.5	215.0	405.2	321.5	334.2	26.5	83.8	61.7	59.1	42.6	9.0	6.2
SEPT.	65.9	214.8	407.5	322.7	335.0	26.7	84.8	62.0	59.7	43.3	8.6	6.3
OCT.	66.5	215.2	412.1	325.9	336.2	26.9	86.2	62.3	60.9	43.4	7.9	3.7
NOV.	67.4	216.2	413.6	328.0	338.2	27.2	85.5	62.6	60.8	41.4	7.6	4.6
DEC.	67.9	216.5	419.4	329.1	340.8	27.5	90.3	62.8	60.3	39.6	8.4	1.9
1975--JAN.	68.2	214.0	426.0	333.3	343.6	27.9	92.7	63.2	61.1	39.1	7.6	0.7
FEB.	68.8	214.7	428.9	336.8	346.9	28.3	92.1	63.5	60.3	39.3	6.5	0.6
MAR.	69.5	216.6	430.0	340.3	352.0	28.9	89.8	63.8	59.2	39.7	6.5	0.7
APR.	69.6	217.5	431.7	343.3	357.4	29.4	88.4	64.1	60.1	40.1	6.7	2.1
MAY	70.3	219.4	433.1	347.6	362.5	29.8	85.5	64.4	60.4	40.4	7.4	2.1
JUNE P	71.1	223.0	437.3	353.2	368.4	30.0	84.1	64.6	64.5	42.0	7.0	3.8
WEEKLY:												
1975--MAY 14	70.2	218.8	433.3	347.0			86.3				7.0	1.4
21	70.5	219.4	433.7	347.7			85.9				7.8	2.5
28	70.8	221.2	433.9	349.5			84.4				7.9	2.4
JUNE 4	70.6	221.8	434.6	350.7			83.9				7.5	3.6
11	71.1	223.1	436.2	352.1			84.1				7.4	5.7
18	71.2	222.9	437.7	353.5			84.1				6.8	5.0
25P	71.4	223.3	438.4	354.3			84.2				6.8	2.6
JULY 2P	71.1	222.2	439.2	354.9			84.3				6.5	1.4

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURODOLLAR BORROWINGS OF U.S. BANKS. WEEKLY DATA ARE DAILY AVERAGES FOR STATEMENT WEEKS. MONTHLY DATA ARE DAILY AVERAGES. WEEKLY DATA ARE NOT AVAILABLE FOR M3, M5, M6, M7, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

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

Appendix Table III

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

		<u>M₁</u>		<u>M₂</u>		<u>M₃</u>	
		<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>
1973	I	3.4	6.8	7.3	9.1	8.8	10.4
	II	11.3	7.3	10.6	8.6	10.5	9.1
	III	0.6	5.5	5.6	7.8	5.2	7.5
	IV	8.7	5.0	10.8	8.9	9.8	7.9
1974	I	5.5	5.8	9.3	9.6	8.9	9.1
	II	7.0	7.3	7.9	8.3	6.8	7.6
	III	1.0	3.5	4.2	6.0	3.8	5.2
	IV	5.3	3.9	6.7	6.2	6.9	5.8
1975	I	2.4	1.0	8.4	6.4	10.4	8.3
	II	11.2	9.0	13.3	11.3	15.3	13.7

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

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

Appendix Table IV

SHORT-TERM OPERATING GUIDES*

		<u>Total Reserves</u>			<u>Nonborrowed Reserves</u>			<u>RPD</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975	June	34,888	34,888	34,888	34,661	34,661	34,661	33,014	33,014	33,014
	July	35,004	34,991	34,984	34,757	34,707	34,662	32,916	32,903	32,897
	August	34,790	34,737	34,686	34,640	34,487	34,246	33,038	32,985	32,934
1975	July	4.0	3.5	3.3	3.3	1.6	0.0	-3.6	-4.0	-4.3
	August	-7.3	-8.7	-10.2	-4.0	-7.6	-14.4	4.4	3.0	1.3
	July-August	-1.7	-2.6	-3.5	-0.4	-3.0	-7.2	0.4	-0.5	-1.5
		<u>Excess Reserves</u>			<u>Borrowings</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>			
1975	June	220	220	220	227	227	227			
	July	185	175	170	245	285	320			
	August	200	175	150	150	250	440			

* Adjusted for changes in reserve requirements.