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March 12, 1976

Strictly Confidential (FR) Class I FOMC

MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

March 12, 1976

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent Developments

(1) Incoming data since the February FOMC meeting suggest that M_1 is growing at about a 6 per cent annual rate in the February-March period, somewhat below the mid-point of its range. Continuing strength in time deposits other than large CD's (particularly in savings deposits) has sustained M_2 growth. Over February-March, M_2 is now expected to expand at a little more than an 11 per cent annual rate, near the mid-point of its range.

(2) Growth in total bank loans has remained quite modest, as business demands for short-term credit have continued to be weak; business loans at banks declined at a 5.3 per cent annual rate in February. Banks have continued to allow CD's to run off in volume, as inflows of other time and savings deposits have remained large. They have also added further to their security holdings, particularly Treasury coupon issues in the 1-5 year maturity area.

Growth in Monetary Aggregates and RPD's
over February-March Period

<u>Reserve and monetary aggregates (Growth at SAAR, in per cent)</u>	<u>Ranges</u>	<u>Latest Estimates</u>
M_1	5 to 9	6.1
M_2	9 to 13	11.4
RPD	$-4\frac{1}{2}$ to $-\frac{1}{2}$	-5.1
Memo:		Avg. for statement
Federal funds rate	$4\frac{1}{2}$ to $5\frac{1}{2}$	<u>week ending</u>
(per cent per annum)		Feb. 18 4.70
		25 4.80
		Mar. 3 4.95
		10 4.86

(3) Late in February, incoming data suggested that growth in the aggregates was strengthening rather considerably. The rate of expansion in M_2 appeared to be at the upper limit of the range specified by the Committee, and growth in M_1 was above its mid-point. Accordingly, the Desk decided to shade its Federal funds rate target from $4\frac{1}{2}$ per cent to a $4\frac{1}{2}$ -- $4\text{-}7/8$ per cent range. However--with incoming information at the time pointing to a strengthening of economic activity--banks overreacted to the Desk's willingness to permit some additional firming in the money market, and for a while began bidding aggressively for Federal funds. As a result, the effective funds rate was above 5 per cent on several days of the statement week, and the average for the week rose to 4.95 per cent. Subsequently, with additional data indicating that growth in M_1 and M_2 over the February-March period might be well within the ranges, the Desk has operated to return the funds rate to the $4\frac{1}{2}$ per cent area.

(4) The firming in money market conditions at the end of February, coupled with published data which at the time indicated a substantial strengthening in the monetary aggregates, resulted in a general advance of short-term rates of $1/8$ to $1/2$ a percentage point, with the largest increases in the bill area. With the recent easing in the funds market, however, short-term rates have dropped back, and are now only about 10-25 basis points above levels prevailing at the time of the February FOMC meeting. Bond market rates showed little net change over the intermeeting period, as declines in late February--which carried

rates on some high quality corporate issues to their lowest levels in 2 years--were reversed in early March when short-term rates rose and the forward calendar of new issues increased. Mortgage rates have edged down slightly on balance recently, as deposit inflows at thrift institutions have remained strong.

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

	Calendar Year	Calendar Year	Past Six Months	Past Three Months	Past Month
	1974	1975	Feb. '76 over Aug. '75	Feb. '76 over Nov. '75	Feb. '76 over Jan. '75
Total reserves	7.1	-.4	-1.4	-5.2	-6.1
Nonborrowed reserves	9.2	1.3	-0.6	-5.4	-6.3
Reserves available to support private nonbank deposits	7.4	-1.1	-1.4	-3.2	-5.0
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	4.7	4.2	2.5	1.6	6.5
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	7.2	8.3	8.1	9.3	14.3
M ₃ (M ₂ plus deposits at thrift institutions)	6.8	11.2	10.4	10.9	14.5
M ₄ (M ₂ plus CD's)	10.6	6.3	6.3	4.8	6.7
M ₅ (M ₃ plus CD's)	9.0	9.6	9.1	8.0	9.6
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	10.2	3.9	5.1	1.6	4.9
Loans and investments of commercial banks <u>2/</u>	9.2	4.3	4.1	2.0	8.1
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	2.2	-.6	-.6	-2.1	-3.8
Nonbank commercial paper	.4	-.2	-.3	.5	.4

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

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

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

Prospective developments

(6) Alternative shorter-run operating ranges for the monetary aggregates and the Federal funds rate are summarized below for Committee consideration. More detailed figures, as well as longer-run growth rates, are shown in the tables on pp. 5a and 5b.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for March-April			
M ₁	4 to 8	3½ to 7½	3 to 7
M ₂	8 to 12	6½ to 10½	6 to 10
RPD	-2 to 2	-2½ to 1½	-3 to 1
Federal funds rate (intermeeting range)	3½ to 4½	4½ to 5½	4½ to 5½

(7) The Federal funds rate under alternative B is centered on 4½ per cent, the funds rate level most recently sought by the Desk. Given such a funds rate, over the March-April period M₁ is expected to expand in a 3½-7½ per cent annual rate range. Tax refunds are likely to contribute somewhat to growth in demand deposits in March. As April progresses, however, payments by the Treasury will probably be moderating and might be more than offset by the public's drawing down balances that had been built up by earlier refunds. Thus, M₁ growth during the March-April period is expected to depend essentially on transactions demands associated with the projected relatively rapid expansion in nominal GNP. Our expectation for money growth over the next two months assumes some continued downward shift in money demand.

Alternative Levels and Growth Rates for Key Monetary Aggregates

		<u>M₁</u>			<u>M₂</u>			<u>M₃</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1976	February	296.9	296.9	296.9	677.0	677.0	677.0	1115.6	1115.6	1105.6
	March	298.3	298.3	298.3	681.8	681.8	681.8	1125.3	1125.3	1125.4
	April	299.9	299.6	299.4	688.3	687.0	686.2	1137.2	1135.5	1134.3
1975	QIV	294.7	294.7	294.7	660.2	660.2	660.2	1084.5	1084.5	1084.5
1976	QI	296.8	296.8	296.8	675.9	675.9	675.9	1114.4	1114.4	1114.4
	QII	302.2	301.9	301.8	695.4	693.3	692.2	1149.7	1146.5	1144.3
	QIII	307.8	307.4	307.1	712.0	710.1	707.9	1179.7	1176.6	1172.6
	QIV	312.4	312.4	312.4	725.2	724.7	723.8	1203.9	1202.8	1201.3

Growth Rates

Monthly:

1976	March	5.7	5.7	5.7	8.5	8.5	8.5	10.4	10.4	10.4
	April	6.4	5.2	4.4	11.4	9.1	7.7	12.7	10.9	9.4

Quarterly Average:

1976	QI	2.9	2.9	2.9	9.5	9.5	9.5	11.0	11.0	11.0
	QII	7.3	6.9	6.7	11.5	10.3	9.6	12.7	11.5	10.7
	QIII	7.4	7.3	7.0	9.5	9.7	9.1	10.4	10.5	9.9
	QIV	6.0	6.5	6.9	7.4	8.2	9.0	8.2	8.9	9.8
QIV '75-QII '76		5.1	4.9	4.8	10.7	10.0	9.7	12.0	11.4	11.0
QII '76-QIV '76		6.8	7.0	7.0	8.6	9.1	9.1	9.4	9.8	10.0
QIV '75-QIV '76		6.0	6.0	6.0	9.8	9.8	9.6	11.0	10.9	10.8

Committee Longer-run

Growth Ranges

QIV '75-QIV '76	4½ to 7½	7½ to 10½	9 to 12
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Alternative Levels and Growth Rates for Key Monetary Aggregates (cont'd)

		<u>M₄</u>			<u>M₅</u>			<u>Credit Proxy</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1976	February	752.4	752.4	752.4	1191.0	1191.0	1191.0	516.2	516.2	516.2
	March	753.9	753.8	753.8	1197.4	1197.4	1197.4	515.0	515.0	515.0
	April	759.1	758.6	758.3	1207.9	1207.1	1206.3	517.8	517.7	517.6
1975	QIV	742.1	742.1	742.1	1166.3	1166.3	1166.3	512.2	512.2	512.2
1976	QI	751.5	751.5	751.5	1190.0	1190.0	1190.0	515.1	515.1	515.1
	QII	765.9	764.7	764.2	1220.2	1217.9	1216.3	522.0	521.5	521.3
	QIII	783.7	782.7	781.3	1251.5	1249.2	1246.0	534.3	533.8	533.1
	QIV	799.1	798.8	798.1	1277.8	1276.9	1275.5	543.9	543.7	543.2
<u>Growth Rates</u>										
<u>Monthly:</u>										
1976	March	2.4	2.2	2.2	6.4	6.4	6.4	-2.8	-2.8	-2.8
	April	8.3	7.6	6.8	10.5	9.7	8.8	6.5	6.3	6.1
<u>Quarterly Averages:</u>										
1976	QI	5.1	5.1	5.1	8.1	8.1	8.1	2.3	2.3	2.3
	QII	7.7	7.0	6.8	10.2	9.4	8.8	5.4	5.0	4.8
	QIII	9.3	9.4	9.0	10.3	10.3	9.8	9.4	9.4	9.1
	QIV	7.9	8.2	8.6	8.4	8.9	9.5	7.2	7.4	7.6
	QIV '75-QII '76	6.4	6.1	6.0	9.2	8.8	8.6	3.8	3.6	3.6
	QII '76-QIV '76	8.7	8.9	8.9	9.4	9.7	9.7	8.4	8.5	8.4
	QIV '75-QIV '76	7.7	7.6	7.5	9.6	9.5	9.4	6.2	6.1	6.1

(8) M_2 under alternative B is projected to rise in a $6\frac{1}{2}$ - $10\frac{1}{2}$ per cent annual rate range in the March-April period. Growth in time deposits other than money market CD's is expected to slow from its exceptional January-February pace, when inflows were being influenced by the initial shift of funds in response to the decline in short-term market rates to levels near or below 5 per cent. Nevertheless, such deposits will probably grow at a still fairly substantial $11\frac{1}{2}$ per cent annual rate over the March-April period. Short-term rates under alternative B would be expected to change little between now and the next Committee meeting, although they could rise a bit toward the end of the period, reflecting mid-April tax date pressures.

(9) The staff continues to believe that interest rates will have to rise later in the year--perhaps beginning in late spring--if a 6 per cent rate of growth in M_1 from QIV '75 to QIV '76 is to be achieved. Under alternative B, we have assumed that the Federal funds rate will average about $6\frac{1}{2}$ per cent in the fourth quarter of 1976.^{1/} This represents somewhat less upward rate pressure than assumed in the previous blue book, and reflects the need for a little more expansion in M_1 over the last three quarters of the year to make up for the fact that growth in the first quarter of 1976 is now expected to be somewhat slower than anticipated a month ago. Under these assumptions, M_2 growth over the period from QIV '75 to QIV '76 would be about $9\frac{1}{2}$ per cent--somewhat above the mid-point of the Committee's one-year range.

(10) Alternatives A and C call for an easing and tightening of the money market, respectively, in the period before the next

^{1/} See appendix table IV for long-run projections of the Federal funds rate.

Committee meeting. Through the summer months, alternative A would encourage somewhat more growth in M_1 and M_2 , and alternative C less than would alternative B. But if M_1 and M_2 are to grow over the year from QIV '75 to QIV '76 at rates near the mid-points of their respective one-year ranges, the near-term declines in interest rates anticipated under alternative A would be short-lived, and rates would begin rising, perhaps by late spring. We have assumed that under alternative A the funds rate would average about $6\frac{1}{2}$ per cent in the fourth quarter of 1976. On the other hand, the greater near-term restraint of alternative C would mean that more monetary expansion would be required later in 1976 to achieve the Committee's longer-run targets. Under this alternative, interest rates would be likely to cease rising in late summer, with the funds rate leveling out at around 6 per cent.

(11) The staff expects that under all three alternatives business credit demands at banks would remain weak over the next month or two and that the bank credit proxy will show relatively little growth. Later in the year, as business working capital needs expand, business loan demand on banks will probably pick up. In response, banks may begin to raise funds in the CD market. However, the need to do so may be small since we expect that flows into other deposits--though slowing somewhat as the year progresses in reflection of rising market interest rates--will be generally sufficient to finance demands on banks.

(12) The forward calendar for corporate and municipal bonds appears to be relatively substantial over the next few weeks. In addition,

the Treasury may raise some cash through an offering of intermediate- or longer-term coupon issues. Nevertheless, if the money market remains stable--as is assumed under alternative B--long-term interest rates are likely to remain around current levels in view of the strong institutional investor interest in bonds that has developed since the beginning of the year. A tightening of the money market, as contemplated under alternative C, would probably cause some upward adjustment in long rates. Such a near-term adjustment may be limited, however, if borrowers postpone scheduled issues--as they may, since many of the issues now on the calendar had been accelerated to take advantage of propitious market circumstances.

Proposed directive

(13) Given below is a proposed operational paragraph if the Committee wishes to formulate its instructions in terms of desired growth in monetary aggregates over the months ahead. No alternatives are presented for this formulation, in the expectation that the reference to desired growth will be taken to apply to the longer-term targets and that at this meeting the Committee will not reconsider those targets.

"Monetary aggregates" proposal

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

(14) Should the Committee desire to continue placing main emphasis on bank reserve and money market conditions, the language needed would depend on the specific conditions sought. Three alternative "money market" directives intended to correspond to the similarly lettered policy alternatives are given below.

Alternative "money market" proposals

Alternative A

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

market conditions over the period immediately ahead, provided that monetary aggregates appear to be growing at about the rates currently expected.

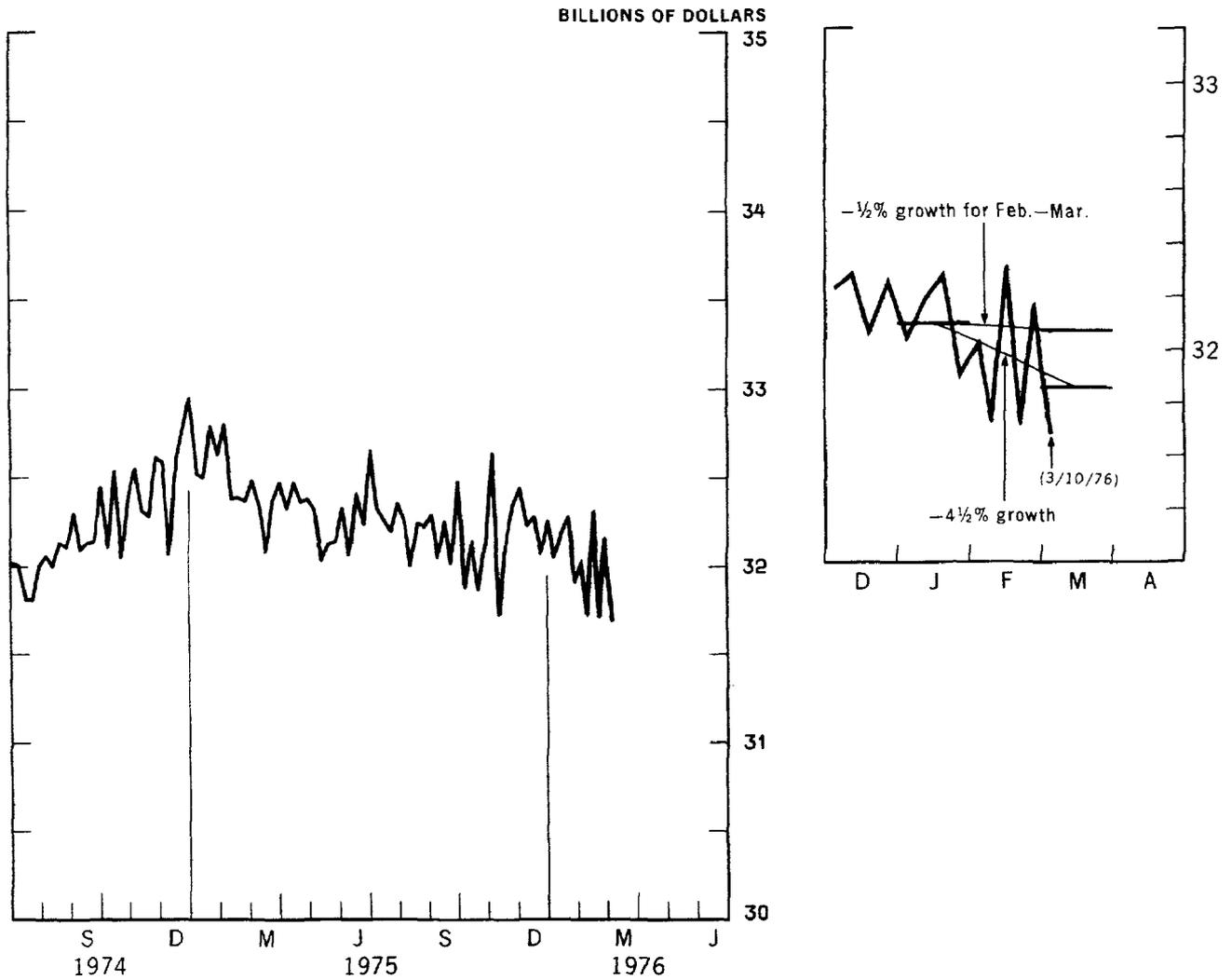
Alternative B

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

Alternative C

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

RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS

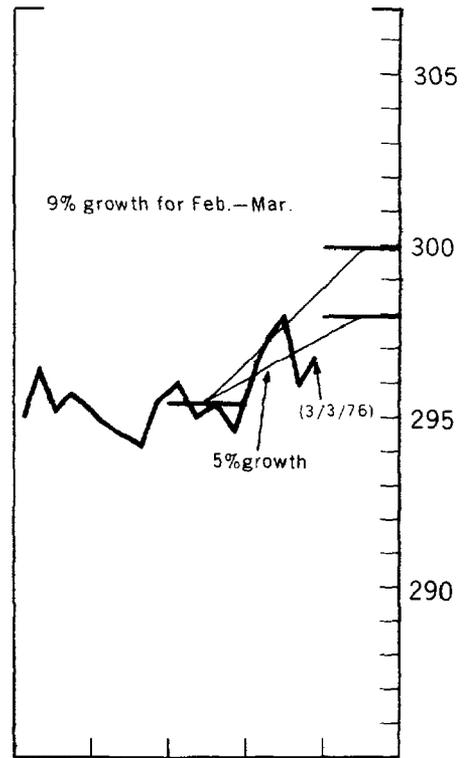
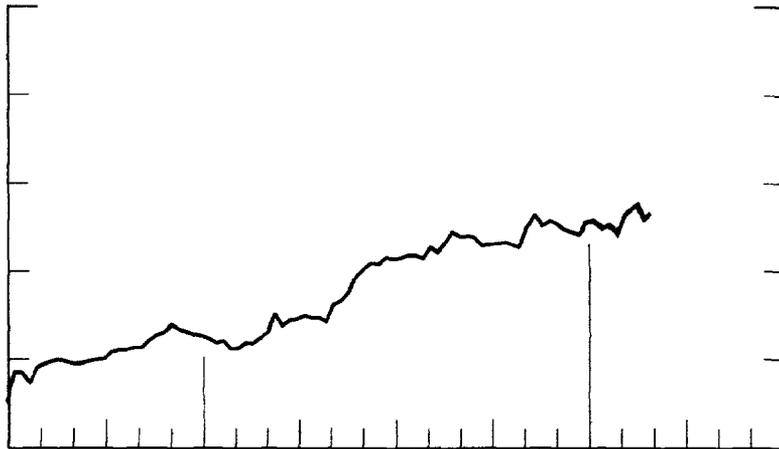


RPD series has been adjusted to remove discontinuities associated with changes in reserve requirement ratios.

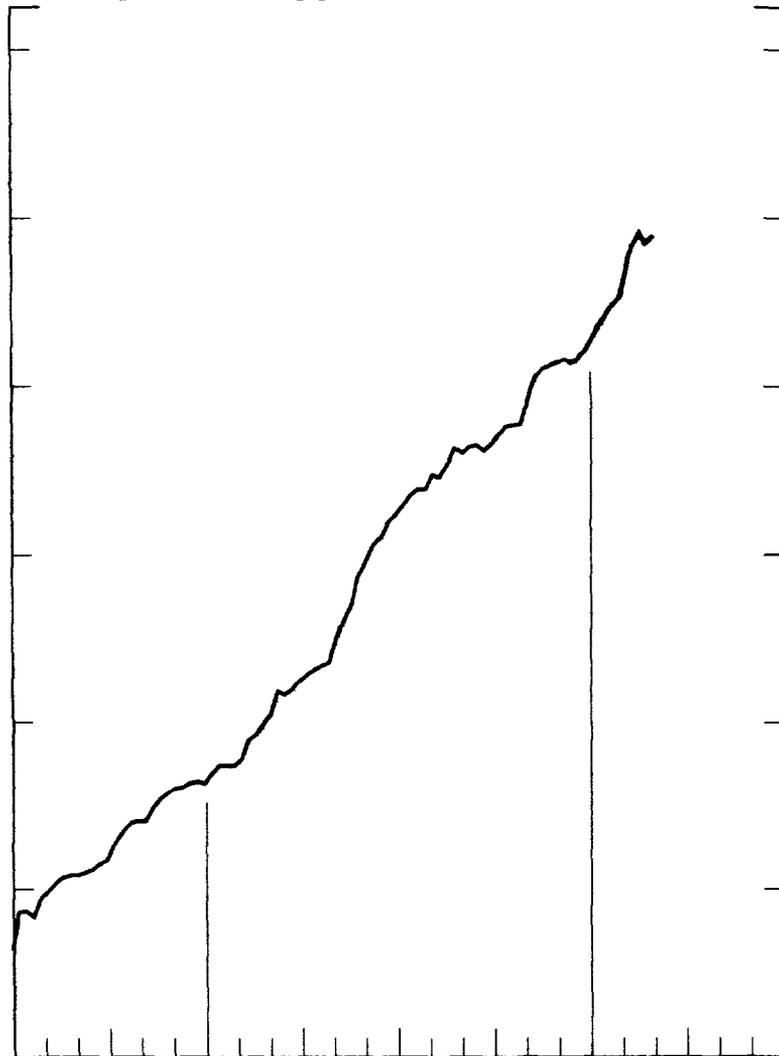
MONETARY AGGREGATES

NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY M2



1974

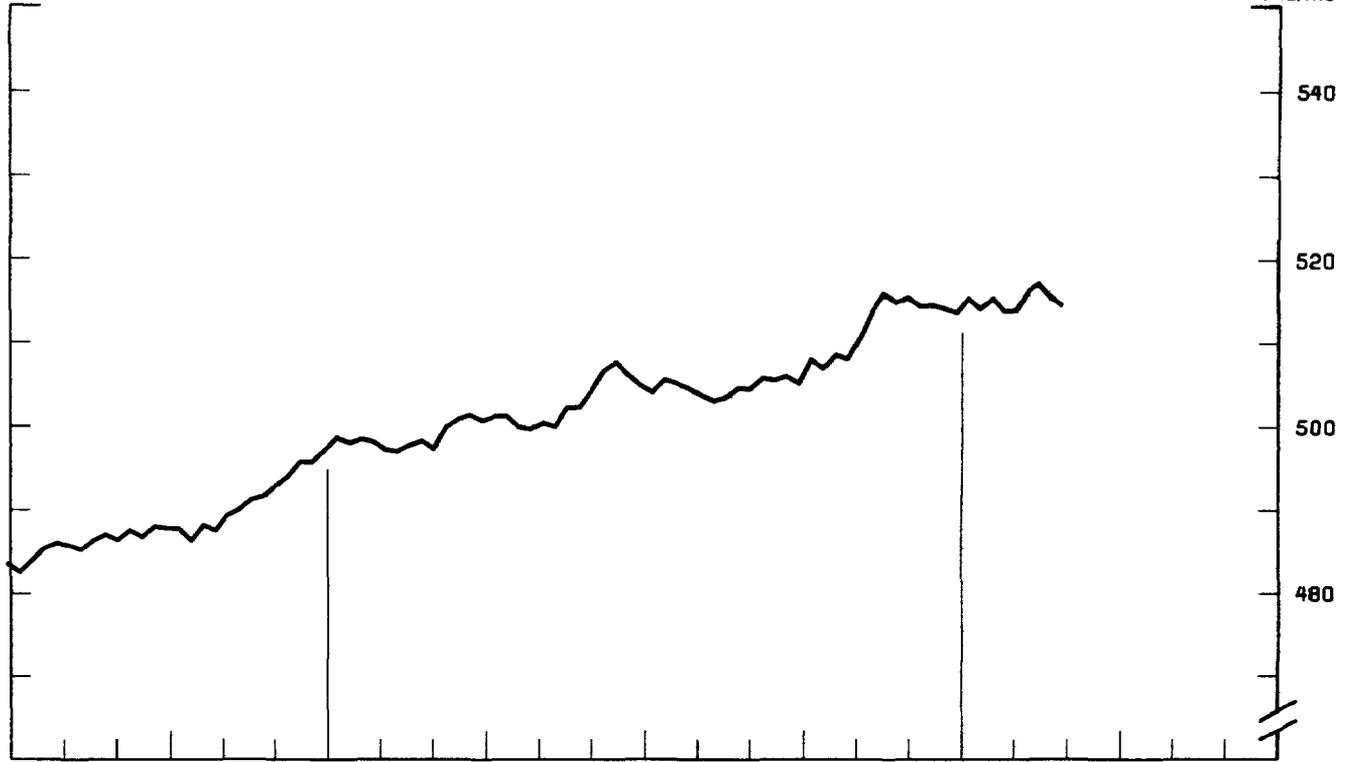
1975

1976

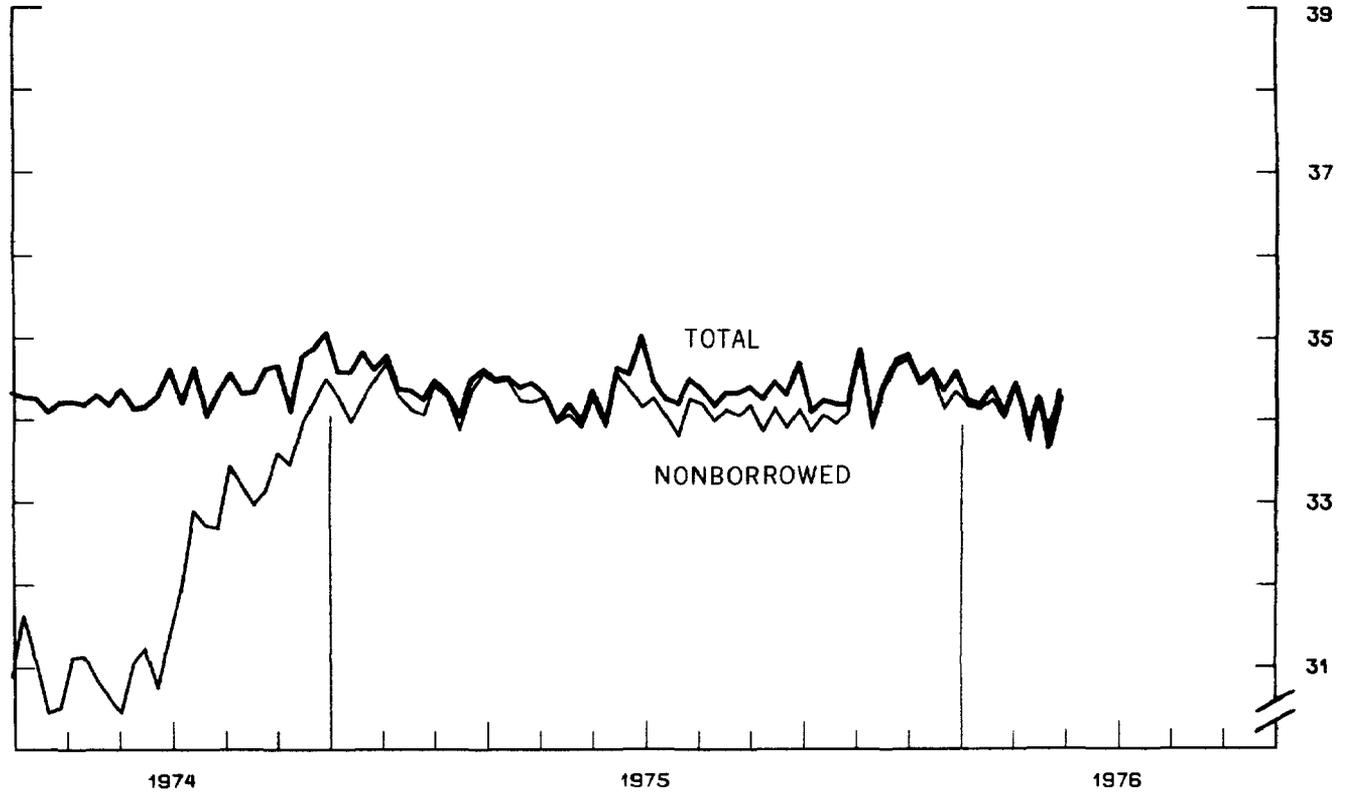
N D J F M
1975 1976

MONETARY AGGREGATES

ADJUSTED CREDIT PROXY



RESERVES



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

CHART 4

MONEY MARKET CONDITIONS AND INTEREST RATES

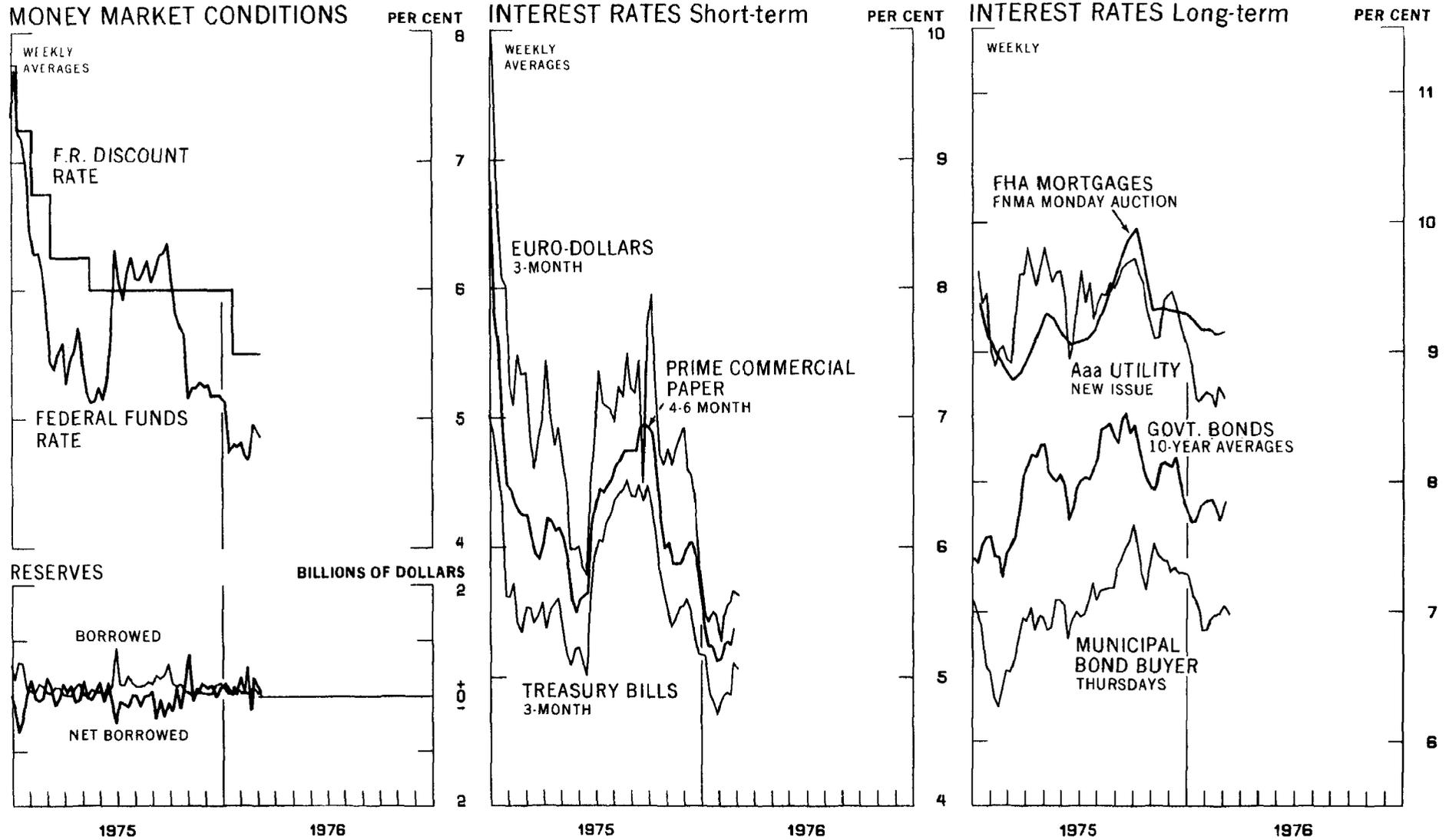


TABLE 1
BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

MAR. 12, 1976

Period	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES			
			Total Reserves	Nonborrowed Reserves	SEASONALLY ADJUSTED			
					Total Required	Private Demand	Total Time Deposits	Gov't. and Interbank
SA	NSA	3	4	5	6	7	8	
MONTHLY LEVELS--\$MILLIONS								
1975--DEC.	32,231	32,558	34,539	34,409	34,272	19,756	12,208	2,308
1976--JAN.	32,100	33,170	34,245	34,167	34,005	19,732	12,128	2,145
FEB.	31,965	31,982	34,070	33,969	33,831	19,822	11,904	2,105
MAR.	(31,827)	(31,570)	(33,919)	(33,860)	(33,705)	(19,803)	(11,810)	(2,092)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1975--3RD QTR.	-1.5		-0.8	-2.8	-0.7	3.4	-9.0	
4TH QTR.	0.4		1.4	4.5	0.5	-3.4	4.1	
1976--1ST QTR.	(-5.0)		(-7.2)	(-6.4)	(-6.6)	(1.0)	(-13.0)	
QUARTERLY-AV								
1975--3RD QTR.	-0.8		0.1	-1.9	-0.1	6.2	-12.2	
4TH QTR.	-0.8		0.6	2.7	-0.1	-2.1	-0.6	
1976--1ST QTR.	(-2.6)		(-4.1)	(-3.5)	(-3.9)	(0.7)	(-7.3)	
MONTHLY								
1975--DEC.	0.3		0.8	-1.6	1.4	-2.5	6.3	
1976--JAN.	-4.9		-10.2	-8.4	-9.3	-1.5	-7.9	
FEB.	-5.0		-6.1	-6.3	-6.1	5.5	-22.2	
MAR.	(-5.2)		(-5.3)	(-4.6)	(-4.5)	(-1.2)	(-9.5)	
FEB.-MAR.	(-5.1)		(-5.7)	(-5.4)	(-5.3)	(2.2)	(-15.7)	
WEEKLY LEVELS--\$MILLIONS								
1976--FEB. 4	32,021	32,660	34,459	34,404	34,042	19,645	11,959	2,438
11	31,730	31,742	33,775	33,724	33,725	19,767	11,913	2,045
18	32,307	32,363	34,273	34,217	33,703	19,839	11,898	1,966
25	31,716	31,523	33,781	33,633	33,887	19,932	11,890	2,065
MAR. 3	32,159	31,861	34,346	34,261	33,929	19,876	11,866	2,186
10	31,652	31,132	33,826	33,779	33,732	19,690	11,868	2,174

NOTE: RESERVE SERIES HAVE BEEN ADJUSTED TO REMOVE DISCONTINUITIES ASSOCIATED WITH CHANGES IN RESERVE REQUIREMENT RATIO. DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF FEB. 18, 1976 THE COMMITTEE AGREED ON A RPD RANGE OF -4.5 TO -0.5 PERCENT FOR THE FEB.-MAR. PERIOD.

Table 2
MONETARY AGGREGATES

CONFIDENTIAL (F.R.)
 CLASS II-FOMC
 MAR. 12, 1976

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--DEC.	295.0	665.3	514.4	3.0	451.2	368.3	82.9	8.4
1976--JAN.	295.3	669.0	514.1	2.6	452.9	373.7	79.2	7.9
FEB.	296.9	677.0	516.2	2.6	455.5	380.1	75.4	8.3
MAR.	(298.3)	(681.7)	(515.0)	(2.2)	(455.5)	(383.4)	(72.1)	(8.3)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1975--3RD QTR.	3.6	6.5	-0.8		2.6	8.9	-23.8	
4TH QTR.	1.9	6.4	7.0		11.8	10.1	19.2	
1976--1ST QTR.	(4.5)	(11.1)	(0.5)		(3.8)	(16.4)	(-52.1)	
QUARTERLY-AV								
1975--3RD QTR.	7.1	10.1	1.4		4.7	12.7	-27.5	
4TH QTR.	2.5	6.1	6.0		9.1	9.1	9.5	
1976--1ST QTR.	(2.4)	(9.5)	(2.2)		(6.5)	(14.9)	(-30.8)	
MONTHLY								
1975--DEC.	-2.8	3.1	0.7		9.7	7.9	16.1	
1976--JAN.	1.2	10.3	-0.7		4.5	17.6	-53.6	
FEB.	6.5	14.4	4.9		6.9	20.6	-57.6	
MAR.	(5.7)	(8.5)	(-2.8)		(0.0)	(10.4)	(-52.5)	
FEB.-MAR.	(8.1)	(11.4)	(1.1)		(3.4)	(15.6)	(-53.8)	
WEEKLY LEVELS--\$BILLIONS								
1976--JAN. 14	295.0	668.0	514.1	3.4	452.8	372.9	79.9	7.6
21	295.3	669.3	515.3	3.3	452.6	374.0	78.6	8.0
28	294.6	670.7	513.8	2.2	453.6	376.2	77.4	7.7
FEB. 4	296.4	674.3	513.9	2.2	454.6	377.9	76.7	7.7
11	297.3	676.7	516.4	2.5	455.2	379.4	75.8	8.1
18	297.9	678.3	517.0	2.8	455.8	380.4	75.4	8.1
25	299.9	676.8	515.6	3.1	455.8	381.0	74.8	8.0
MAR. 3 P	296.7	678.0	514.2	2.2	455.3	381.3	74.0	7.8

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY

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

Period	Open Market Operations ^{1/}					Daily Average Reserve Effects ^{2/}			Δ In Reserve Categories		Δ Target
	Bills & Accept.	Coupon Issues	Agency Issues	RP's Net ^{3/}	Total	Open Market Operations	Δ Member Bank Borrowing	Other ^{4/} Factors	Req. res. against U.S.G. and interb.	Available res. ^{5/} (6)+(7)+(8)-(9)	Available reserves ^{5/}
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1975--Aug.	-371	274	313	1,007	1,222	-1,332	-50	1,210	-124	-48	-45
Sept.	1,932	822	393	2,008	5,155	2,458	186	-2,432	98	114	10
Oct.	147	--	284	15	445	1,276	-205	-1,150	15	-94	265
Nov.	-608	709	-1	-2,637	-2,537	521	-130	-387	1	3	280
Dec.	1,799	297	--	1,219	3,315	1,165	66	-813	79	339	355
1976--Jan.	-1,590	321	240	3,597	2,567	942	-48p	-295p	137	463p	960
Feb.	1,205	528	295	-3,129	-1,101	1,631	-3p	-3,224p	-173p	-1,423p	-1,110
Mar.											-90
Apr.											
1976--Jan. 7	-404	--	--	-2,022	-2,426	-257	-186	503	-18	78	
14	-1,386	--	--	803	-583	-3,515	-22	3,788	-13	264	
21	1	321	240	--	561	773	108	-490	180	211	
28	192	--	--	6,504	6,696	2,551	-94	-3,578p	-371	-750	
Feb. 4	-190	189	--	-3,534	-3,536	1,605	-1	-1,607	246	-249	
11	336	--	--	-2,969	-2,633	-4,051	-6	2,767	-382	-908p	
18	820	--	--	2,210	3,031	2,656	5	-1,889p	213p	559p	
25	37	339	-1	4,014	4,389	2,428	92	-3,460p	-100p	-840p	
Mar. 3	110	--	297	-3,314	-2,907	-93	-64	587p	92p	338p	
10	-711	-107	--	-8,835	-9,653	-4,051	-37	3,366p	11p	-733p	
17											
24											
31											

^{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 February and March reflects the target adopted at the February 18, 1976 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 Change 2/	Treasury Coupons Net Purchases 3/					Federal Agencies Net Purchases 4/					Net Change Outright Holdings Total 5/		RP's Net 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	
1974--Qtr. IV	-43	102	215	131	45	492	138	371	130	53	691	1,402	-238	
1975--Qtr. I	-2,093	33	1,054	625	312	2,024	69	169	285	61	584	508	53	
Qtr. II	1,086	218	1,135	454	273	2,079	--	--	-2	--	-2	3,076	230	
Qtr. III	-757	13	712	201	171	1,096	64	514	106	63	747	1,060	2,392	
Qtr. IV	1,294	74	385	234	315	1,006	58	141	71	14	284	2,626	-1,403	
1975--Sept.	1,917	--	562	137	124	822	23	285	57	29	394	3,148	2,008	
Oct.	97	--	--	--	--	--	58	141	71	14	284	430	15	
Nov.	-588	43	267	156	244	709	--	--	--	--	--	99	-2,637	
Dec.	1,784	31	118	78	71	297	--	--	--	--	--	2,096	1,219	
1976--Jan.	-1,596	37	110	100	73	321	26	139	47	27	240	-1,030	3,597	
Feb.	1,275	40	366	63	59	528	76	149	61	11	297	2,029	-3,129	
Mar.														
1976--Jan. 7	-404	--	--	--	--	--	--	--	--	--	--	-404	-2,022	
14	-1,380	--	--	--	--	--	--	--	--	--	--	-1,386	803	
21	--	37	110	100	73	321	26	139	47	27	240	560	--	
28	188	--	--	--	--	--	--	--	--	--	--	192	6,504	
Feb. 4	-189	--	189	--	--	189	--	--	--	--	--	-1	-3,534	
11	356	--	--	--	--	--	--	--	--	--	--	336	-2,969	
18	840	--	--	--	--	--	--	--	--	--	--	820	2,210	
25	53	40	177	63	59	339	--	--	--	--	--	376	4,014	
Mar. 3	150	--	--	--	--	--	76	149	61	11	297	407	-3,314	
10	-688	--	-107	--	--	-107	--	--	--	--	--	-818	-8,835	
17														
24														
31														

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 borrowings from the System.

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

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

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

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

Period	U.S. Govt. Security Dealer Positions		Dealer Positions		Member Bank Reserve Positions				
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)	Excess** Reserves (5)	Borrowing at FRB**		Basic Reserve Deficit	
						Total (6)	Seasonal (7)	8 New York (8)	38 Others (9)
1974--High	3,678	2,203	253	384	577	3,906	176	-7,870	-12,826
Low	-289	-309	0	27	-168	647	13	-2,447	-6,046
1975--High	7,029	2,845	464	389	864	871	74	-7,387	-11,632
Low	1,586	253	0	48	-50	18	5	-1,757	-7,207
1975--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	201	227	11	-5,821	-9,344
July	4,231	1,246	60	135	188	259	17	-5,546	-9,896
Aug.	4,020	1,204	44	181	195	211	37	-3,964	-9,966
Sept.	5,008	588	31	122	191	397	58	-3,551	-9,015
Oct.	5,766	1,480	14	123	161	189	65	-2,644	-9,202
Nov.	4,751	2,073	156	173	251	60	29	-3,812	-10,159
Dec.	4,822	1,075	95	103	289p	131p	14p	-2,811	-10,418
1976--Jan.	4,959	1,220	34	97	232	79	9	-3,581	-9,746
Feb.	*5,214	*1,051	66	181	241p	81p	10p	-4,296p	-10,108p
Mar.									
1976--Jan. 7	4,607	1,144	0	34	324	67	10	-3,106	-8,478
14	6,173	1,208	38	132	163	45	9	-5,523	-10,607
21	4,891	1,637	34	57	197	153	9	-3,433	-10,712
28	4,294	1,005	30	164	165	58	8	-2,625	-9,413
Feb. 4	5,020	828	5	159	417	57	11	-2,367	-9,018
11	5,183	1,684	0	170	123	51	11	-5,662	-10,889
18	*5,961	*903	27	239	570p	56p	10p	-3,673	-10,642
25	*4,789	*833	167	154	-106p	148p	10p	-3,720	-9,550
Mar. 3	*4,703	*581	165	155	417p	84p	8p	-4,362p	-9,343p
10	*5,984	*911	80p	160p	91p	47p	8p	-6,568p	-10,464p
17									
24									
31									

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 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 6
SELECTED INTEREST RATES
(Per Cent)

Period	Short-Term						Long-Term					
	Federal Funds	Treasury Bills		90-119 Day Commercial Paper	CD's New Issues-NYC		Aaa Utility		Municipal Bond Buyer	U.S. Govt. (20-yr. Constant Maturity)	FNMA Auction Yield	GNMA Guaranteed Securities
		90-Day	1-year		60-89 Day	90-119 Day	New Issue	Recently Offered				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1974--High	13.55	9.63	9.54	12.25	12.25	12.00	10.61	10.52	7.15	8.68	10.59	9.98
Low	8.45	6.53	6.39	7.88	8.00	7.88	8.05	8.14	5.16	7.40	8.43	7.79
1975--High	7.70	6.68	7.31	8.43	7.88	7.75	9.80	9.71	7.67	8.63	9.95	9.10
Low	5.13	5.02	5.46	5.38	5.25	5.38	8.89	9.06	6.27	7.63	8.78	7.93
1975--Feb.	6.24	5.50	5.56	6.36	6.00	6.25	8.97	9.09	6.39	7.71	8.93	8.03
Mar.	5.54	5.49	5.70	6.06	5.88	6.03	9.35	9.38	6.74	7.99	8.82	8.09
Apr.	5.49	5.61	6.40	6.11	5.85	6.03	9.67	9.66	6.94	8.36	9.06	8.48
May	5.22	5.23	5.91	5.70	5.44	5.63	9.63	9.65	6.97	8.22	9.27	8.51
June	5.55	5.34	5.86	5.67	5.34	5.51	9.25	9.33	6.94	8.04	9.09	8.34
July	6.10	6.13	6.64	6.32	6.05	6.25	9.41	9.43	7.06	8.17	9.14	8.50
Aug.	6.14	6.44	7.16	6.59	6.31	6.63	9.46	9.49	7.17	8.50	9.41	8.75
Sept.	6.24	6.42	7.20	6.79	6.44	6.81	9.68	9.57	7.44	8.57	9.78	8.97
Oct.	5.82	5.96	6.48	6.35	6.08	6.45	9.45	9.43	7.39	8.35	9.80	8.87
Nov.	5.22	5.48	6.07	5.78	5.69	6.03	9.20	9.26	7.43	8.28	9.80	8.50
Dec.	5.20	5.44	6.16	5.88	5.65	5.83	9.36	9.23	7.31	8.23	9.31	8.56
1976--Jan.	4.87	4.87	5.44	5.15	4.91	5.03	8.70	8.79	7.07	8.01	9.10	8.37
Feb.	4.77	4.88	5.53	5.13	4.84	5.06	8.63	8.63	6.94	8.03	9.06	8.29
Mar.												
1976--Jan. 7	5.12	5.17	5.69	5.44	5.13	5.25	8.88	8.94	7.13	7.99	--	8.45
14	4.76	4.88	5.42	5.15	4.88	5.00	8.64	8.68	7.09	7.97	9.13	8.34
21	4.81	4.82	5.41	5.13	4.88	5.00	8.62	8.69	7.01	8.03	--	8.38
28	4.80	4.73	5.35	5.03	4.75	4.88	8.66	8.68	6.85	8.02	9.07	8.31
Feb. 4	4.82	4.82	5.36	5.00	4.75	4.88	8.68	8.62	6.86	8.04r	--	8.27
11	4.73	4.87	5.48	5.13	4.88	5.13	--	8.68	6.95	8.10r	9.07	8.31
18	4.70	4.88	5.56	5.21	4.88	5.13	8.64	8.67	6.97	8.06	--	8.31
25	4.80	4.86	5.57	5.15	4.88	5.13	8.58	8.56	6.98	7.96r	9.04	8.25
Mar. 3	4.95	5.11	5.87	5.20	5.13	5.38	8.72	8.72	7.04	8.07r	--	8.31
10	4.86	5.08	5.92	5.25	5.13	5.25	8.64p	8.66p	6.98	8.00p	9.06	8.31
17												
24												
31												
Daily--Mar. 4	4.95	5.22	6.05	5.25	--	--	--	--	--	8.08	--	--
11	4.81p	4.99	5.91	5.25	--	--	--	--	--	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 and 10, the weekly date is the mid-point of the calendar week over which data are averaged. Column 8 and 9 are one-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 11 gives FNMA auction data for the Monday preceding the end of the statement week. Column 12 is a one-day quote 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. 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 prevailing ceiling rate.

MONEY AND CREDIT AGGREGATE MEASURES

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:	(Per cent annual rates of growth)											
1973	6.7	6.0	8.4	10.5	13.5	6.0	8.6	8.8	11.6	10.6	11.1	11.9
1974	7.1	9.2	7.4	10.2	9.2	4.7	7.2	6.8	10.6	9.0	8.9	8.9
1975	-0.4	1.3	-1.1	3.9	4.3	4.2	8.3	11.2	6.3	9.6	10.0	9.6
SEMI-ANNUALLY:												
2ND HALF 1974	4.2	19.3	5.7	6.1	3.1	3.9	6.1	6.2	7.8	7.4	7.1	7.0
1ST HALF 1975	-1.2	1.7	-1.7	4.5	5.1	5.6	9.8	11.9	6.9	9.9	9.5	9.4
2ND HALF 1975	0.3	0.9	-0.6	3.1	3.4	2.7	6.5	9.9	5.4	9.0	10.0	9.3
QUARTERLY:												
1ST QTR. 1975	-3.6	3.6	-3.1	3.7	5.7	1.4	6.9	9.0	6.0	8.3	8.2	8.7
2ND QTR. 1975	1.3	-0.1	-0.2	5.3	4.6	9.7	12.5	14.5	7.7	11.3	10.6	9.9
3RD QTR. 1975	-0.8	-2.8	-1.5	-0.8	3.6	3.6	6.5	10.7	3.0	8.1	8.6	7.5
4TH QTR. 1975	1.4	4.5	0.4	7.0	3.1	1.9	6.4	8.9	7.8	9.6	11.3	11.0
QUARTERLY-AV:												
1ST QTR. 1975	-0.1	12.5	0.4	5.5	1.0	0.6	5.6	7.5	7.4	8.5	8.8	8.5
2ND QTR. 1975	-1.4	-0.4	-2.2	3.6	5.1	7.4	10.2	12.6	5.6	9.4	8.5	8.5
3RD QTR. 1975	0.1	-1.9	-0.8	1.4	4.1	7.1	10.1	13.3	5.7	10.1	10.7	9.5
4TH QTR. 1975	0.6	2.7	-0.8	6.0	4.7	2.5	6.1	9.2	6.5	9.2	10.1	9.5
MONTHLY:												
1975--JAN.	-0.5	11.1	1.6	5.8	4.7	-5.1	4.1	6.2	8.7	9.1	10.9	10.5
FEB.	-9.0	-0.4	-6.2	-0.7	4.3	0.0	7.2	8.9	4.9	7.3	6.7	7.5
MAR.	-1.4	0.0	-4.8	6.0	7.9	9.4	9.3	11.7	4.4	8.2	7.0	8.0
APR.	3.5	3.4	2.2	2.2	3.4	3.4	7.1	10.8	3.9	8.3	7.2	7.2
MAY	-11.6	-10.1	-8.1	1.0	5.1	11.4	13.4	14.9	6.2	10.1	9.4	8.6
JUNE	12.2	6.5	5.4	12.7	5.1	14.2	16.5	17.4	12.9	15.0	14.9	13.5
JULY	-3.2	-5.8	-0.3	-3.3	2.0	3.7	9.5	13.2	5.1	10.0	11.9	10.6
AUG.	-3.1	0.0	-4.3	-4.3	6.8	5.3	5.7	10.3	-0.5	5.9	7.0	6.0
SEPT.	3.9	-2.6	0.3	5.2	2.0	1.6	4.2	8.5	4.3	8.3	6.5	5.7
DCT.	-6.3	0.8	-5.1	5.9	6.0	-0.8	5.1	8.4	7.7	9.7	11.0	10.4
NOV.	9.7	14.3	6.0	14.4	10.5	9.4	10.8	11.6	11.1	11.6	14.6	14.3
DEC.	0.8	-1.6	0.3	0.7	-7.3	-2.8	3.1	6.4	4.5	7.2	7.9	7.9
1976--JAN.	-10.2	-8.4	-4.9	-0.7	5.3	1.2	10.3	11.5	3.2	6.9	7.0	6.7
FEB. P	-6.1	-6.3	-5.0	4.9	8.1	6.5	14.3	14.5	6.7	9.6	9.3	9.0

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURODDOLLAR 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, M₆, M₇, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTIONS.

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

P - PRELIMINARY

APPENDIX TABLE 1-B

MONEY AND CREDIT AGGREGATE MEASURES

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

MAR. 12, 1976

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:												
1973	32,390	31,092	30,335	449.4	634.6	270.5	571.4	919.5	634.9	982.9	1093.7	1132.0
1974	34,693	33,966	32,591	495.3	691.9	283.1	612.4	981.6	702.2	1071.4	1191.0	1232.7
1975	34,539	34,409	32,231	514.4	721.6	295.0	663.3	1091.8	746.2	1174.7	1310.3	1350.8
MONTHLY:												
1975--FEB.	34,418	34,270	32,466	497.4	697.1	281.9	618.2	994.0	710.2	1086.1	1208.5	1251.3
MAR.	34,377	34,271	32,337	499.9	701.7	284.1	623.0	1003.7	712.8	1093.5	1215.5	1259.6
APR.	34,477	34,367	32,396	500.8	703.7	284.9	626.7	1012.7	715.1	1101.1	1222.8	1267.2
MAY	34,143	34,077	32,176	501.2	706.7	287.6	633.7	1025.3	718.8	1110.4	1232.4	1276.3
JUNE	34,490	34,263	32,320	506.5	709.7	291.0	642.4	1040.2	726.5	1124.3	1247.7	1290.7
JULY	34,399	34,098	32,311	505.1	710.9	291.9	647.5	1051.6	729.6	1133.7	1260.1	1302.1
AUG.	34,310	34,099	32,194	503.3	714.9	293.2	650.6	1060.6	729.3	1139.3	1267.5	1308.6
SEPT.	34,421	34,024	32,201	505.5	716.1	293.6	652.9	1068.1	731.9	1147.2	1274.4	1314.8
OCT.	34,239	34,048	32,063	508.0	719.7	293.4	655.7	1075.6	736.6	1156.5	1286.1	1326.2
NOV.	34,515	34,455	32,224	514.1	726.0	295.7	661.6	1086.0	743.4	1167.7	1301.7	1342.0
DEC.	34,539	34,409	32,231	514.4	721.6	295.0	663.3	1091.8	746.2	1174.7	1310.3	1350.8
1976--JAN.	34,245	34,167	32,100	514.1	724.8	295.3	669.0	1102.3	748.2	1181.5	1317.9	1358.3
FEB. P	34,070	33,989	31,965	516.2	729.7	296.9	677.0	1115.6	752.4	1191.0	1328.1	1368.5
WEEKLY:												
1976--JAN. 14	34,184	34,139	32,193	514.1		295.0	668.0		747.9			
21	34,391	34,238	32,276	515.3		295.3	669.3		747.9			
28	34,079	34,021	31,914	513.8		294.6	670.7		748.2			
FEB. 4	34,459	34,404	32,021	513.9		296.4	674.3		751.0			
11	33,775	33,724	31,730	516.4		297.3	676.7		752.5			
18P	34,273	34,217	32,307	517.0		297.9	678.3		753.7			
25P	33,781	33,633	31,716	515.6		295.9	676.8		751.6			
MAR. 3P	34,346	34,261	32,159	514.2		296.7	678.0		752.0			

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

APPENDIX TABLE 2-A

MAR. 12, 1976

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/}	
	1	2	3	4	5	6	7	8	9	10	
	(Per cent annual rates of growth)										
ANNUALLY:											
1973	8.1	5.3	16.2	11.4	8.5	13.8	45.6	4.9	31.3	39.3	
1974	10.2	3.0	15.0	9.4	5.6	12.1	41.4	4.8	11.9	9.1	
1975	8.7	2.8	7.7	11.8	15.7	20.2	-7.7	6.3	21.3	-3.1	
SEMI-ANNUALLY:											
2ND HALF 1974	9.9	2.1	10.6	8.0	6.1	11.5	20.9	5.2	4.4	4.4	
1ST HALF 1975	9.4	4.4	7.8	13.4	15.2	20.9	-12.7	5.7	6.7	5.7	
2ND HALF 1975	7.6	1.2	7.2	9.6	15.2	17.6	-2.9	6.8	34.7	-11.6	
QUARTERLY:											
1ST QTR. 1975	9.4	-1.1	9.2	11.8	12.1	20.2	0.0	5.7	10.7	21.1	
2ND QTR. 1975	9.2	9.9	6.3	14.6	17.7	20.6	-25.4	5.6	2.8	-9.1	
3RD QTR. 1975	5.6	2.9	2.6	8.9	17.4	17.0	-23.8	6.8	19.2	-24.2	
4TH QTR. 1975	9.4	-0.5	11.8	10.1	12.4	17.6	19.2	6.6	47.9	1.0	
QUARTERLY-AV:											
1ST QTR. 1975	8.9	-2.0	12.0	9.9	10.1	17.5	19.7	5.7	17.9	-0.9	
2ND QTR. 1975	8.1	6.9	4.5	12.5	16.2	21.0	-24.5	5.6	-5.5	9.3	
3RD QTR. 1975	8.5	6.6	4.7	12.7	18.2	18.6	-27.5	6.8	26.4	-23.7	
4TH QTR. 1975	8.4	0.5	9.1	9.1	14.0	16.5	9.5	6.7	31.3	-7.8	
MONTHLY:											
1975--FEB.	8.8	-2.8	8.2	13.0	11.2	21.4	-7.8	5.7	-4.1	31.7	
MAR.	12.2	8.4	1.1	10.0	15.2	21.0	-30.0	5.6	-14.4	33.6	
APR.	1.7	3.9	3.9	9.9	16.4	20.6	-18.7	5.6	-12.5	10.9	
MAY	12.1	11.1	3.1	15.1	17.2	20.3	-44.8	5.6	-2.1	-13.5	
JUNE	13.7	14.4	12.0	18.4	18.9	19.9	-14.1	5.6	23.1	-24.6	
JULY	5.1	3.3	5.8	14.0	18.9	15.7	-28.5	9.2	53.6	-25.1	
AUG.	10.1	3.8	-3.8	6.4	17.7	19.4	-48.2	5.5	27.6	-28.5	
SEPT.	1.7	1.6	5.8	6.0	14.9	15.2	4.6	5.5	-23.2	-20.4	
OCT.	10.0	-4.3	13.4	10.4	13.5	18.8	27.3	7.3	37.4	-5.9	
NOV.	13.2	8.2	11.9	11.9	12.4	14.8	13.4	7.2	78.2	6.0	
DEC.	4.9	-5.4	9.7	7.9	11.0	18.3	16.1	5.4	23.3	3.0	
1976--JAN.	8.1	-0.5	4.5	17.6	13.4	18.0	-53.6	5.3	7.0	0.0	
FEB. P	12.9	4.3	6.9	20.6	14.1	21.3	-57.6	7.1	7.0	-3.0	

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.

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

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's ^{1/}	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:												
1973	61.5	209.0	364.4	300.9	323.5	24.7	63.5	60.4	50.3	38.3	6.6	5.0
1974	67.8	215.3	419.1	329.3	341.6	27.7	89.8	63.3	56.3	41.8	8.4	3.4
1975	73.7	221.3	451.2	368.3	395.4	33.3	82.9	67.3	68.3	40.5	8.4	3.0
MONTHLY:												
1975--FEB.	68.7	213.2	428.3	336.2	347.5	28.6	92.1	63.9	58.5	42.8	6.5	1.9
MAR.	69.4	214.7	428.7	339.0	351.9	29.1	89.8	64.2	57.8	44.0	6.5	2.5
APR.	69.5	215.4	430.1	341.8	356.7	29.6	88.4	64.5	57.2	44.4	6.7	2.7
MAY	70.2	217.4	431.2	346.1	361.8	30.1	85.1	64.8	57.1	43.9	7.4	2.5
JUNE	71.0	220.0	435.5	351.4	367.5	30.6	84.1	65.1	58.2	43.0	7.0	3.2
JULY	71.3	220.6	437.6	355.5	373.3	31.0	82.1	65.6	60.8	42.1	6.8	2.6
AUG.	71.9	221.3	436.2	357.4	378.8	31.5	78.8	65.9	62.2	41.1	7.0	2.8
SEPT.	72.0	221.6	438.3	359.2	383.5	31.9	79.1	66.2	61.0	40.4	7.0	3.0
OCT.	72.6	220.8	443.2	362.3	387.8	32.4	80.9	66.6	62.9	40.2	7.9	3.0
NOV.	73.4	222.3	447.6	365.9	391.8	32.8	81.8	67.0	67.0	40.4	8.2	3.9
DEC.	73.7	221.3	451.2	368.3	395.4	33.3	82.9	67.3	68.3	40.5	8.4	3.0
1976--JAN.	74.2	221.2	452.9	373.7	399.8	33.8	79.2	67.6	68.7	40.5	7.9	2.6
FEB. P	75.0	222.0	455.5	380.1	404.5	34.4	75.4	68.0	69.1	40.4	8.3	2.6
WEEKLY:												
1976--JAN. 14	74.1	221.0	452.8	372.9			79.9				7.6	3.4
21	74.2	221.1	452.6	374.0			78.6				8.0	3.3
28	74.5	220.1	453.6	376.2			77.4				7.7	2.2
FEB. 4	74.6	221.8	454.6	377.9			76.7				7.7	2.2
11	74.9	222.4	455.2	379.4			75.8				8.1	2.5
18P	75.0	222.8	455.8	380.4			75.4				8.1	2.8
25P	75.1	220.8	455.8	381.0			74.8				8.0	3.1
MAR. 3P	75.1	221.6	455.3	381.3			74.0				7.8	2.2

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

P - PRELIMINARY

Appendix Table III

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

		M_1		M_2		M_3	
		M	Q	M	Q	M	Q
1973	I	3.6	7.4	7.3	9.2	8.4	10.3
	II	10.1	6.4	9.9	8.2	9.8	8.5
	III	1.8	5.5	6.3	7.9	6.1	7.8
	IV	7.8	5.1	10.5	9.0	9.9	8.4
	QIV '72-QIV '73	6.0	6.2	8.8	8.8	8.8	9.0
1974	I	5.3	6.0	9.0	9.6	8.4	8.9
	II	5.3	5.6	6.9	7.4	5.7	6.5
	III	3.0	4.2	5.5	6.4	5.2	5.6
	IV	4.7	4.0	6.6	6.4	7.2	6.5
	QIV '73-QIV '74	4.7	5.0	7.2	7.7	6.8	7.1
1975	I	1.4	0.6	6.9	5.6	9.0	7.5
	II	9.7	7.4	12.5	10.2	14.5	12.6
	III	3.6	7.1	6.5	10.1	10.7	13.3
	IV	1.9	2.5	6.4	6.1	8.9	9.2
	QIV '74-QIV '75	4.2	4.4	8.3	8.2	11.2	11.1

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

Projected Federal Funds Rates

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1976	QI	4.7	4.8	4.9
	QII	4½	5	5½
	QIII	6	5¾	5-7/8
	QIV	6½	6½	6