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MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

August 13, 1976

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent Developments

(1) Over the July-August period, M_1 appears to be expanding at an annual rate of about 6 per cent--the mid-point of the Committee's operating range. Growth of M_2 over the same period is now projected at around a $10\frac{1}{2}$ per cent annual rate, somewhat above the mid-point of its range. Expansion of the time deposit component of M_2 in July was somewhat more rapid than anticipated, reflecting a resumption of savings deposit growth as short-term market interest rates declined. Deposit inflows to nonbank thrift institutions also increased sharply during the month. Non-borrowed reserves appear to be increasing at only about a $2\frac{1}{2}$ per cent annual rate over the July-August period, as a decline in the outstanding volume of money market CD's of banks released reserves to support other deposits.

Growth in Monetary Aggregates
over July-August Period
(SAAR in per cent)

	<u>Ranges</u>	<u>Latest Estimates</u>
M_1	4 to 8	5.9
M_2	$7\frac{1}{2}$ to $11\frac{1}{2}$	10.4
Memo:		<u>Avg. for statement</u>
Federal funds rate		<u>week ending</u>
(per cent per annum)		July 21 5.30
		28 5.28
		Aug. 4 5.36
		11 5.25

(2) Given growth in M_1 and M_2 close to the mid-points of the FOMC's short-run ranges, the Desk has continued to aim at a Federal funds rate of around $5\frac{1}{2}$ per cent. With earlier market concern about a near-term tightening in monetary policy allayed by the stability of the funds rate--as well as by moderate growth in the monetary aggregates and incoming economic data that seemed to indicate less than anticipated strength in the economy--short-term market interest rates declined another 10 to 20 basis points during the intermeeting period. The prime rate at major banks was reduced $\frac{1}{2}$ percentage point to 7 per cent in early August.

(3) Long-term credit markets have also been influenced by a more optimistic assessment of the interest rate outlook. Corporate and municipal bond yields have fallen 15 to 20 basis points since the July Committee meeting, although this partly reflects a moderation in the volume of new offerings coming to market during the period and in immediate prospect. Mortgage rates have changed little over the intermeeting period.

(4) The Treasury successfully marketed a substantial volume of longer-term debt in connection with its mid-August refunding. To redeem \$4.5 billion of maturing obligations held by the public and to raise new cash, the Treasury sold \$10.6 billion of new securities. The refunding package included \$2 billion of 3-year notes, \$7.6 billion of 10-year notes (increased from \$4 billion when subscriptions for the

issue totaled \$24.4 billion), and \$1 billion of 25-year bonds. While dealers were awarded most of the new bond, they received only minimal allotments of the 10-year note. In when-issued trading, however, they have taken a large volume of 10-year securities into their positions. Total dealer positions in Treasury coupon issues are large, but dealers thus far appear to be willing holders as all three new issues are selling at sizable premiums over their issue prices and there is a very sizable positive carry on the longer-term issues.

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

	Calendar Year	Past Twelve Months July '76 over July '75	Past Six Months July '76 over Jan. '76	Past Three Months July '76 over April '76	Past Month July '76 over June '76
Nonborrowed reserves	1.3	-.5	.5	3.2	1.5
Total reserves	-.4	--	.8	4.2	1.7
Monetary Base	5.8	6.4	7.1	6.4	5.1
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	4.1	4.4	6.6	4.1	6.7
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	8.5	9.3	11.2	9.1	12.5
M ₃ (M ₂ plus deposits at thrift institutions)	11.3	11.5	12.4	10.8	13.2
M ₄ (M ₂ plus CD's)	6.4	6.5	7.4	7.2	9.8
M ₅ (M ₃ plus CD's)	9.7	9.5	9.9	9.6	11.4
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	3.9	3.7	3.7	4.9	3.2
Loans and investments of commercial banks <u>2/</u>	4.4	5.3	5.5	4.8	6.9
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-.6	-1.0	-1.6	-.6	-1.0
Nonbank commercial paper	-.2	--	.4	.4	.1

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) Summarized below for Committee consideration are three alternative short-run specifications for the monetary aggregates and the Federal funds rate.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for August-Sept. ^{1/}			
M ₁	4½-8½	4-8	3½-7½
M ₂	8-12	7½-11½	7-11
Federal funds rate (intermeeting period)	4½-5½	4¾-5¾	5½-6½

(7) Longer-run projections of levels and growth rates are shown in the tables on pp. 5a and 5b. Under all three alternatives, the monetary growth rates shown for the QII '76-QII '77 period are around the mid-points of the longer-run ranges adopted by the Committee at its last meeting. Expected behavior of the funds rate between now and mid-1977 under these assumptions is shown in Appendix Table II.

(8) Over the longer-run, the three alternatives would differ in the distribution of monetary ease or restraint--whether measured by monetary growth rates or interest rate levels--between the second half of 1976 and the first half of 1977. Alternative A--which involves an easing of the money market over the next few weeks--encompasses more monetary ease in the second half of this year than the other two alternatives, and more monetary restraint in the first half of next year. At the other end of the spectrum, alternative C--which assumes a tightening of the

^{1/} Nonborrowed reserves and other reserve aggregates thought to be consistent with these ranges are shown in Appendix table I.

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	July	304.8	304.8	304.8	707.6	707.6	707.6	1172.1	1172.1	1172.1
	August	306.1	306.1	306.1	712.4	712.4	712.4	1182.8	1182.8	1182.8
	September	308.1	307.9	307.7	719.2	718.8	718.2	1194.9	1194.4	1193.7
1976	QII	302.7	302.7	302.7	696.5	696.5	696.5	1150.7	1150.7	1150.7
	QIII	306.3	306.3	306.2	713.1	712.9	712.7	1183.3	1183.1	1182.9
	QIV	311.5	311.1	310.6	730.9	729.9	728.4	1216.0	1214.4	1211.9
1977	QI	316.1	315.8	315.0	745.0	744.4	742.1	1240.3	1239.7	1235.3
	QII	320.1	320.1	320.1	758.0	758.4	756.9	1262.5	1263.7	1260.0
<u>Growth Rates</u>										
Monthly:										
1976	August	5.1	5.1	5.1	8.1	8.1	8.1	11.0	11.0	11.0
	September	7.8	7.1	6.3	11.5	10.8	9.8	12.3	11.8	11.1
Quarterly Average:										
1976	QIII	4.8	4.8	4.6	9.5	9.4	9.3	11.3	11.3	11.2
	QIV	6.8	6.3	5.7	10.0	9.5	8.8	11.1	10.6	9.8
1977	QI	5.9	6.0	5.7	7.7	7.9	7.5	8.0	8.3	7.7
	QII	5.1	5.4	6.5	7.0	7.5	8.0	7.2	7.7	8.0
<u>Semi-annual</u>										
	QII '76-QIV '76	5.8	5.6	5.2	9.9	9.6	9.2	11.3	11.1	10.6
	QIV '76-QII '77	5.5	5.8	6.1	7.4	7.8	7.8	7.6	8.1	7.9
<u>Annual</u>										
	QII '76-QII '77	5.7	5.7	5.7	8.8	8.9	8.7	9.7	9.8	9.5
<u>FOMC Longer-run Range</u>										
	QII '76-QII '77	4½-7			7½-9½			9-11		

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	July	777.2	777.2	777.2	1241.6	1241.6	1241.6	523.7	523.7	523.7
	August	776.8	776.8	776.8	1247.2	1247.2	1247.2	522.0	522.0	522.0
	September	781.9	781.6	781.1	1257.6	1257.2	1256.6	523.6	523.4	523.1
1976	QII	766.6	766.6	766.6	1220.7	1220.7	1220.7	518.3	518.3	518.3
	QIII	778.6	778.5	778.4	1248.8	1248.7	1248.5	523.1	523.0	522.9
	QIV	794.4	793.6	792.6	1279.5	1278.1	1276.0	532.5	532.1	531.5
1977	QI	812.3	812.1	809.8	1307.7	1307.3	1303.1	539.7	539.7	538.1
	QII	831.0	831.8	829.7	1335.5	1337.0	1332.8	550.2	550.9	549.3
<u>Growth Rates</u>										
<u>Monthly:</u>										
1976	August	-0.6	-0.6	-0.6	5.4	5.4	5.4	-3.9	-3.9	-3.9
	September	7.9	7.4	6.6	10.0	9.6	9.0	3.7	3.2	2.5
<u>Quarterly Averages:</u>										
1976	QIII	6.3	6.2	6.2	9.2	9.2	9.1	3.7	3.6	3.6
	QIV	8.1	7.8	7.3	9.8	9.4	8.8	7.2	7.0	6.6
1977	QI	9.0	9.3	8.7	8.8	9.1	8.5	5.4	5.7	5.0
	QII	9.2	9.7	9.8	8.5	9.1	9.1	7.8	8.3	8.3
<u>Semi-annual</u>										
	QII '76-QIV '76	7.3	7.0	6.8	9.6	9.4	9.1	5.5	5.3	5.1
	QIV '76-QII '77	9.2	9.6	9.4	8.8	9.2	8.9	6.6	7.1	6.7
<u>Annual</u>										
	QII '76-QII '77	8.4	8.5	8.2	9.4	9.5	9.2	6.2	6.3	6.0

money market between now and the next Committee meeting--focuses monetary restraint more in the second half of this year. Alternative B lies in between. The differences among the alternatives, as indexed by growth rates for M_1 and the average level of the funds rate, are summarized in the table below:

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
M_1 growth			
2nd half '76	5½	5½	5½
1st half '77	5½	5½	6
Average level of funds rate			
2nd half '76	5-3/8	5½	6-1/8
1st half '77	7½	6-7/8	6½

(9) The intermeeting range for the Federal funds rate under alternative B is centered on 5½ per cent, the rate recently prevailing. Given the projected increase in nominal GNP at about an 11 per cent annual rate on average over the next few quarters, the staff still expects that interest rates will begin rising fairly soon if longer-run M_1 growth is held to around a 5½ per cent annual rate. By the second quarter of 1977, we would expect the funds rate to average around 7½ per cent.

(10) Under alternative B, M_1 is expected to expand in a 4-8 per cent, annual rate, range over the August-September period and M_2 in a 7½-11½ per cent range. M_1 is expected to increase somewhat more rapidly in September than in August, in part because of a sharp drop in Treasury balances. These balances have built up substantially in August, reflecting the unexpectedly large amount of net new money raised in the recent Treasury financing operation.

(11) M_2 growth is likely to be sustained by sizable inflows of time and savings deposits other than money market CD's, given continued stability in the funds rate and little change in other short-term rates. The rate of increase in such time deposits may be more rapid in September than in August, when expansion apparently is being restrained by the diversion of funds to purchase the Treasury's new 8 per cent, 10-year note. Over the longer run, the prospective rise in interest rates would likely dampen savings and time deposit flows. It appears likely that, by the spring of 1977, Regulation Q ceilings would need to be increased in order to maintain M_2 and M_3 growth rates near the mid-points of their respective longer-run ranges.

(12) Demands on credit markets are expected to be relatively modest over the next few weeks. In the August-September period, the average monthly volume of new issues may amount to only about \$1-1/2 billion for publicly offered corporate bonds, and about \$2 billion for state and local government issues--down from average monthly volumes of about \$2-1/2 billion and just under \$3 billion, respectively, in the first half of the year. There are signs of some pick-up in short-term business credit demands, but these demands remain relatively light. However, there is a very large inventory of U.S. Government securities in dealer hands that has not yet been distributed to ultimate holders. Dealers hold \$9 billion in U.S. Government and Federal agency issues, including \$1-1/4 billion of the new 10- and 25-year Treasury issues.

(13) Alternative C involves a tighter monetary policy over the next few weeks and assumes that the Federal funds rate rises to the midpoint of a 5-1/4 to 6-1/4 per cent range. Such an increase would be likely to spark substantial efforts by Government dealers to unload their positions, and would therefore probably lead to considerable short-run upward adjustment in yields on Treasury securities. The 3-month bill rate might rise 40 to 60 basis points to the 5-1/2 to 5-3/4 per cent area, and Treasury note and bond yields could increase 20 to 30 basis points.

(14) While alternative C involves more near-term restraint than B, the early move toward tightening would work to limit interest rate increases needed over the longer run to maintain M_1 growth over the QII '76-QII '77 period at around 5-3/4 per cent. The staff believes that the funds rate could peak out at around 6-3/4 per cent during the fall under an alternative C approach. At such a rate level, it appears that an upward adjustment in Regulation Q may not be needed to enable the Committee to attain its longer-run M_2 and M_3 objectives.

(15) Alternative A assumes an easing of money market conditions between now and the next meeting--with the funds rate dropping to the midpoint of a 4-1/4 to 5-1/4 per cent range. Given the outlook for GNP, such a near-term easing would probably need to be reversed shortly in order to attain a 5-3/4 per cent growth in M_1 from QII '76 to QII '77. If the reversal were begun in early fall, the funds rate might peak out at around 7-1/2 per cent by the second quarter of 1977, a somewhat higher rate than

under alternative B. An upward adjustment in Regulation Q ceiling rates might be required somewhat earlier than under B, perhaps in the winter of next year.

(16) Market reactions to an easing of money market conditions over the next few weeks are difficult to evaluate. Downward yield adjustments may be limited by expectations that such an easing is likely to be reversed soon. On the other hand, if economic news also continues to be suggestive of a pause in activity, an easing of the money market could be accompanied by fairly substantial rate declines in short- and long-term markets. The 3-month bill rate, for example, might well return to around 4-3/4 per cent, its earlier low for the year. At such a rate, savings inflows to banks and thrift institutions would probably become even larger. This would exert pressure on these institutions to seek higher yielding longer-term investments, and thus would place downward pressure on bond yields and also on mortgage rates. However, some institutions--fearful of being locked into longer-term securities should there be a reversal of interest rates and a strengthening of credit demands--might elect to reduce time and savings deposit rates, or at least to cut back their advertising for deposits.

Proposed directive

(17) Given below is a proposed operational paragraph for the directive if the Committee wishes to continue formulating 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 consider those targets.

"Monetary Aggregates" Proposal

To implement this policy, while taking account 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 period ahead.

(18) Should the Committee desire to place 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 achieve SOMEWHAT EASIER 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.

Alternative B

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve MAINTAIN PREVAILING 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.

Alternative C

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve SOMEWHAT FIRMER 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.

Appendix A

Comparison of Actual and Targeted Reserves

The table below compares the actual average level of reserves for the four-week period ending August 18 with the "targeted" level that had been thought consistent with the mid-points of the short-run ranges for the monetary aggregates adopted at the last FOMC meeting.

	<u>Actual</u> ^{1/}	<u>Targeted</u>	<u>Differences</u>
1. (2+3) Nonborrowed reserves	34,371	34,326	45
2. Required reserves	34,335	34,360	-25
3. (4-5) Free reserves	36	-35	71
4. Excess reserves	164	163	1
5. Member bank borrowing	128	198	-70
6. (1+5) Total reserves	34,499	34,523	-24
7. Currency	80,952	80,989	-37
8. (6+7) Monetary base	115,451	115,512	-61

As can be seen from the table, actual nonborrowed reserves turned out to be within \$50 million of the "targeted" level. Banks held somewhat more free reserves than the staff had expected, almost entirely reflecting a lower level of borrowing than anticipated. On the other hand, actual required reserves were a little below expectations. This occurred because of more weakness than anticipated in the outstanding volume of banks' money market CD's.

^{1/} Includes week of August 18; which is partly estimated.

Total reserves were only slightly weaker than anticipated, but the monetary base was further below "target" because growth in currency was much smaller than expected.

Appendix Table I

Reserve Measures Consistent With Short-run Alternatives
(seasonally adjusted)

	<u>Average of 5 weeks</u> <u>Aug. 25 to Sept. 22</u> (\$ million)			<u>Change from average of</u> <u>previous 4-week period</u> (\$ million)			<u>2-month Annual Percentage</u> <u>Growth Rate for Aug.-Sept.</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>
Nonborrowed reserves	34,412	34,333	34,181	41	-38	-190	3.2	1.8	-0.8
Member bank borrowing	49	108	243	-79	-20	115	--	--	--
Excess reserves	216	200	187	52	36	23	--	--	--
Other reserve aggregates:									
Total reserves	34,461	34,441	34,423	-38	-58	-76	1.8	1.5	1.1
Monetary base ^{1/}	115,998	115,978	115,961	548	528	511	5.0	4.9	4.8
Nonborrowed monetary base	115,949	115,870	115,718	627	548	396	5.4	5.0	4.2

^{1/} Total reserves plus currency held outside the Treasury, the Federal Reserve, and member banks.

Appendix Table II

Projected Federal Funds Rates

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1976	QIII	5-1/8	5½	5½
	QIV	5¾	5¾	6-5/8
1977	QI	7	6½	6¾
	QII	7½	7½	6¾

Appendix Table III

Growth Rate in Money Supply
(Per cent change in 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	3.6	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	1.6	2.3	7.0	6.4	9.3	9.4
QIV '74-QIV '75		4.1	4.4	8.5	8.3	11.3	11.1
1976	I	4.3	2.6	11.5	10.1	12.6	11.4
	II	6.8	8.4	9.9	11.3	11.4	12.4

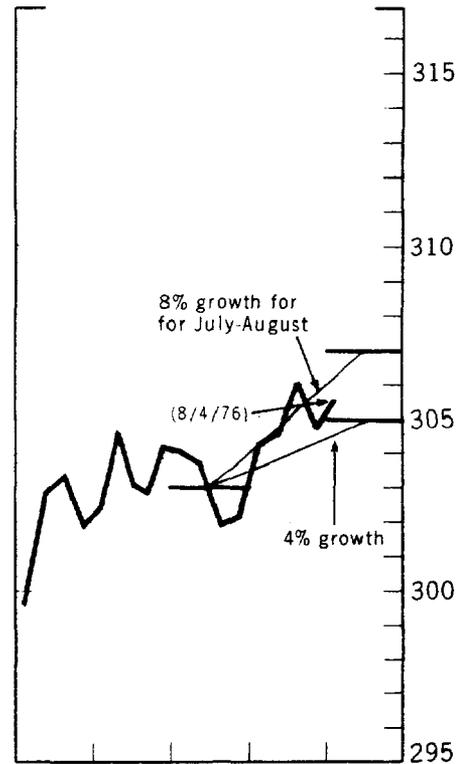
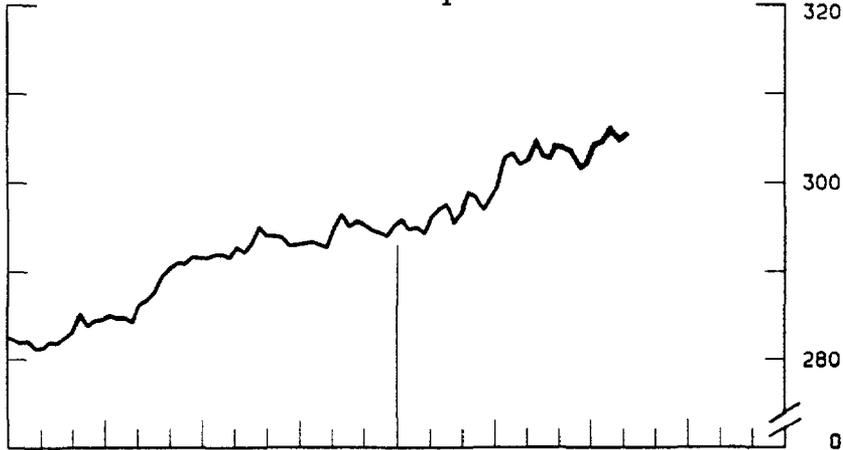
M = Annual rates of growth calculated from average levels in the final months of the quarters.

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

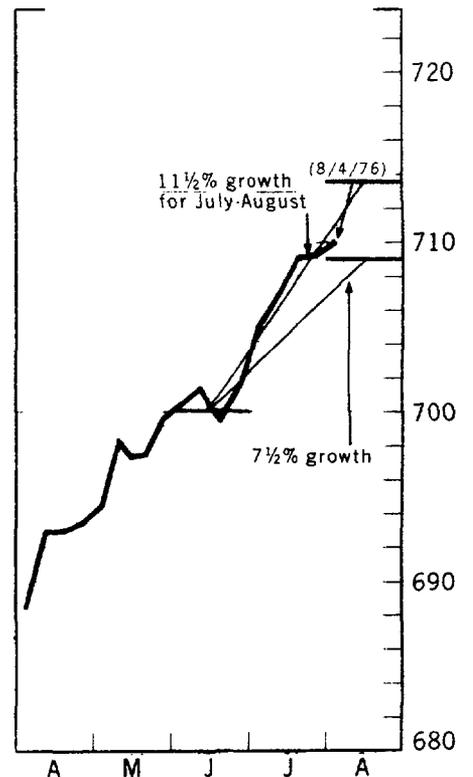
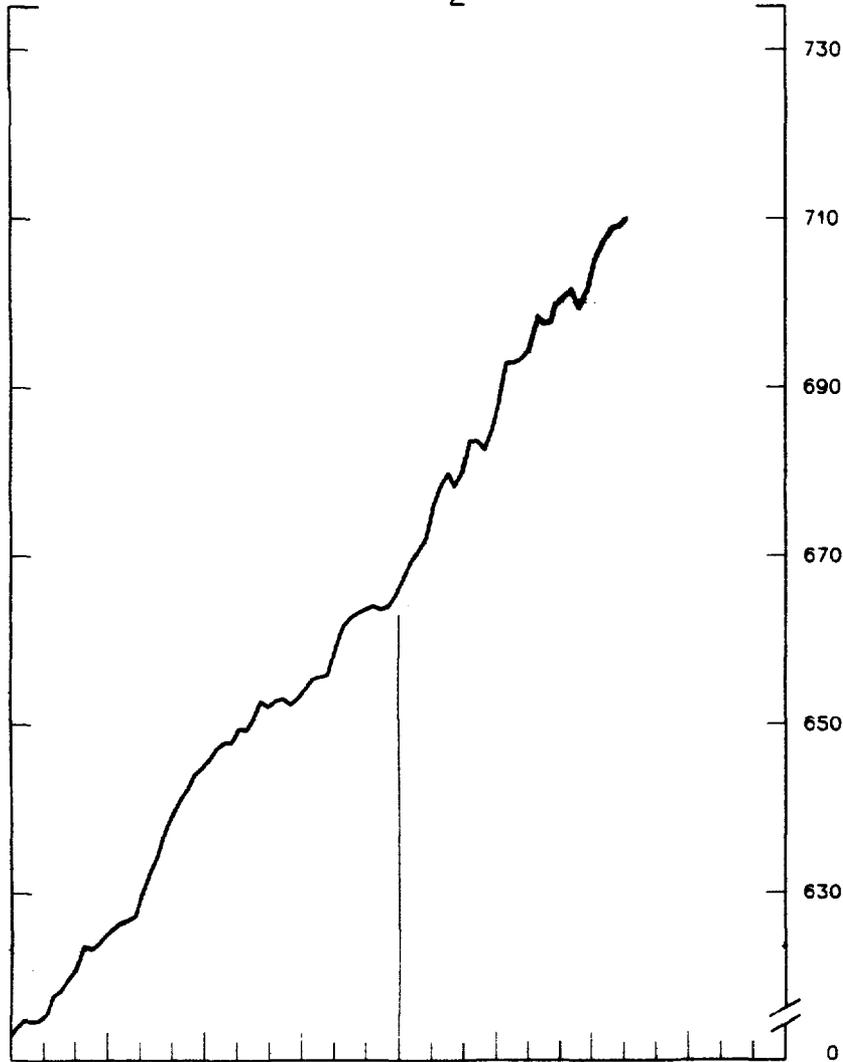
MONETARY AGGREGATES

NARROW MONEY SUPPLY M₁

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY M₂



1975

1976

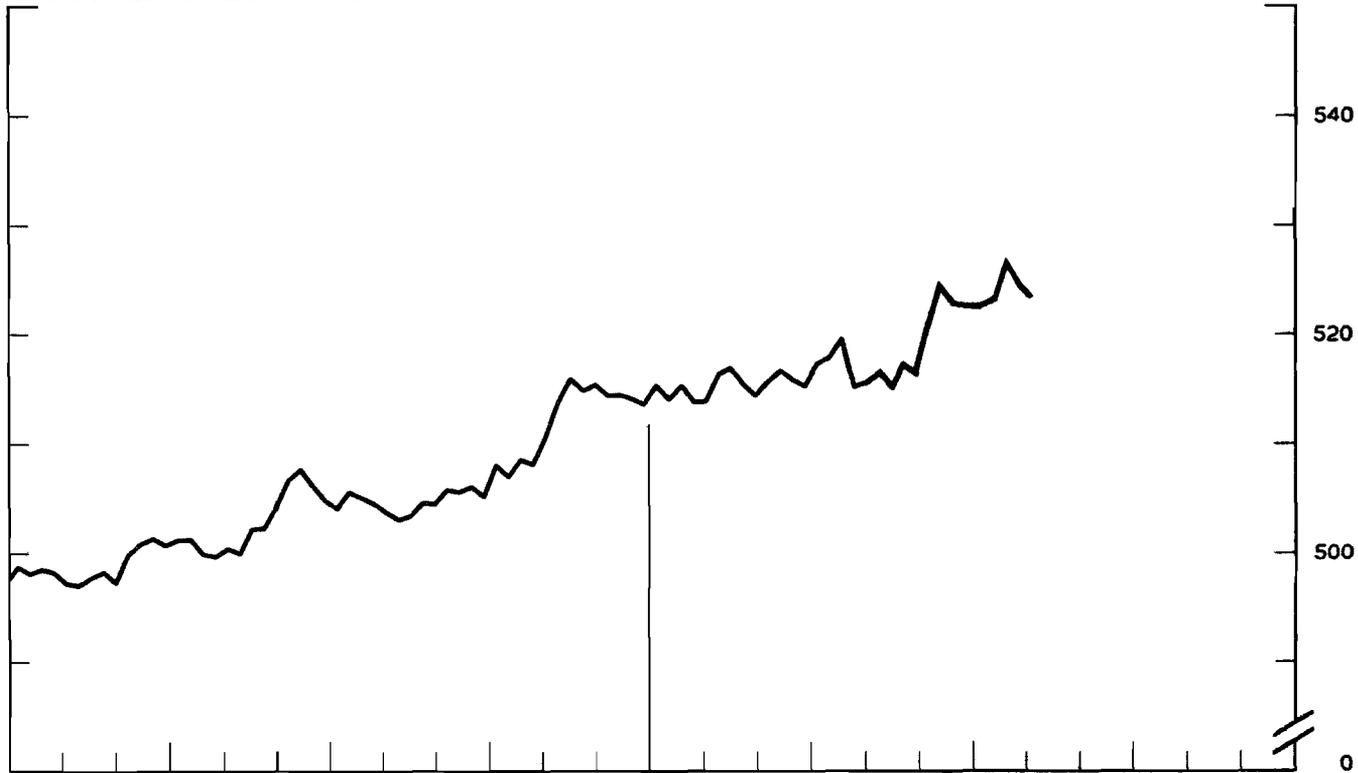
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1976

MONETARY AGGREGATES

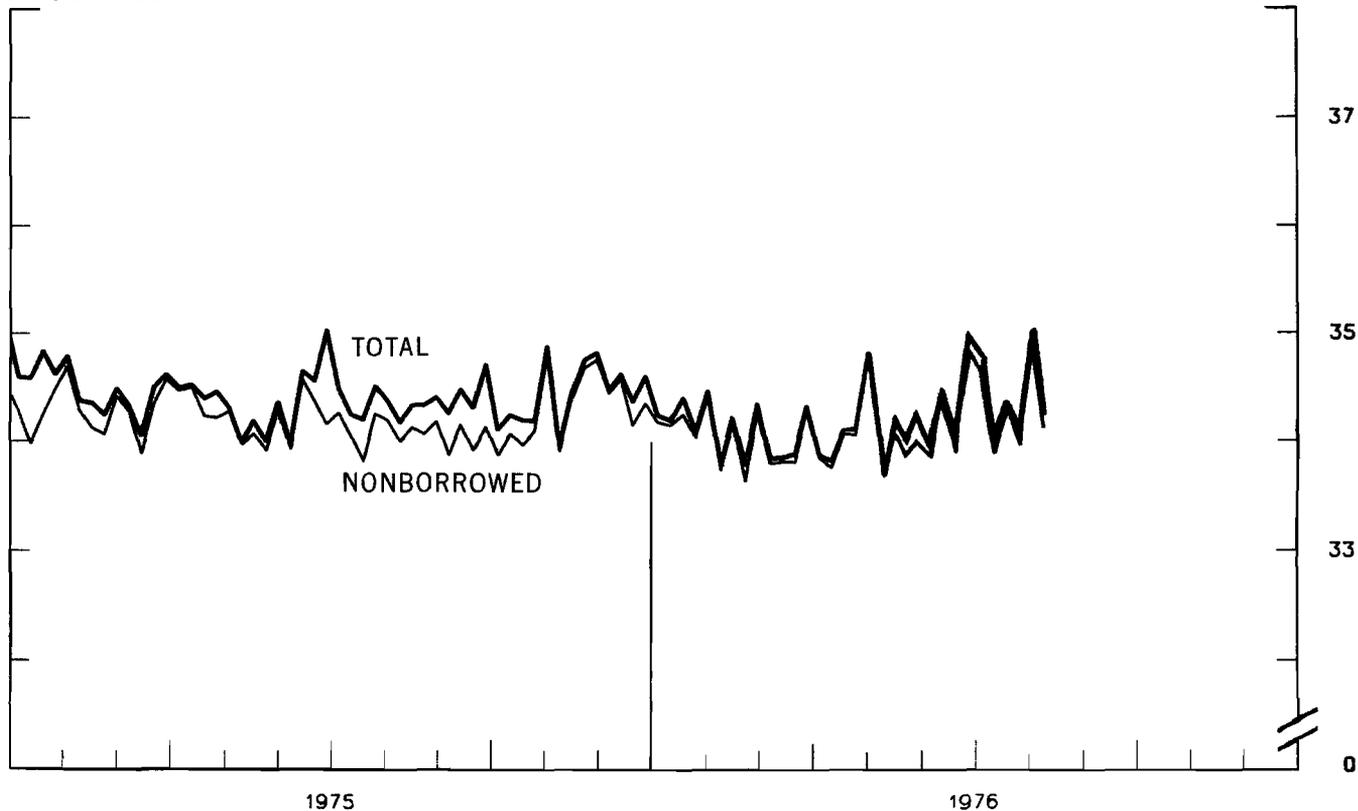
ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



RESERVES

BILLIONS OF DOLLARS



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

MONEY MARKET CONDITIONS AND INTEREST RATES

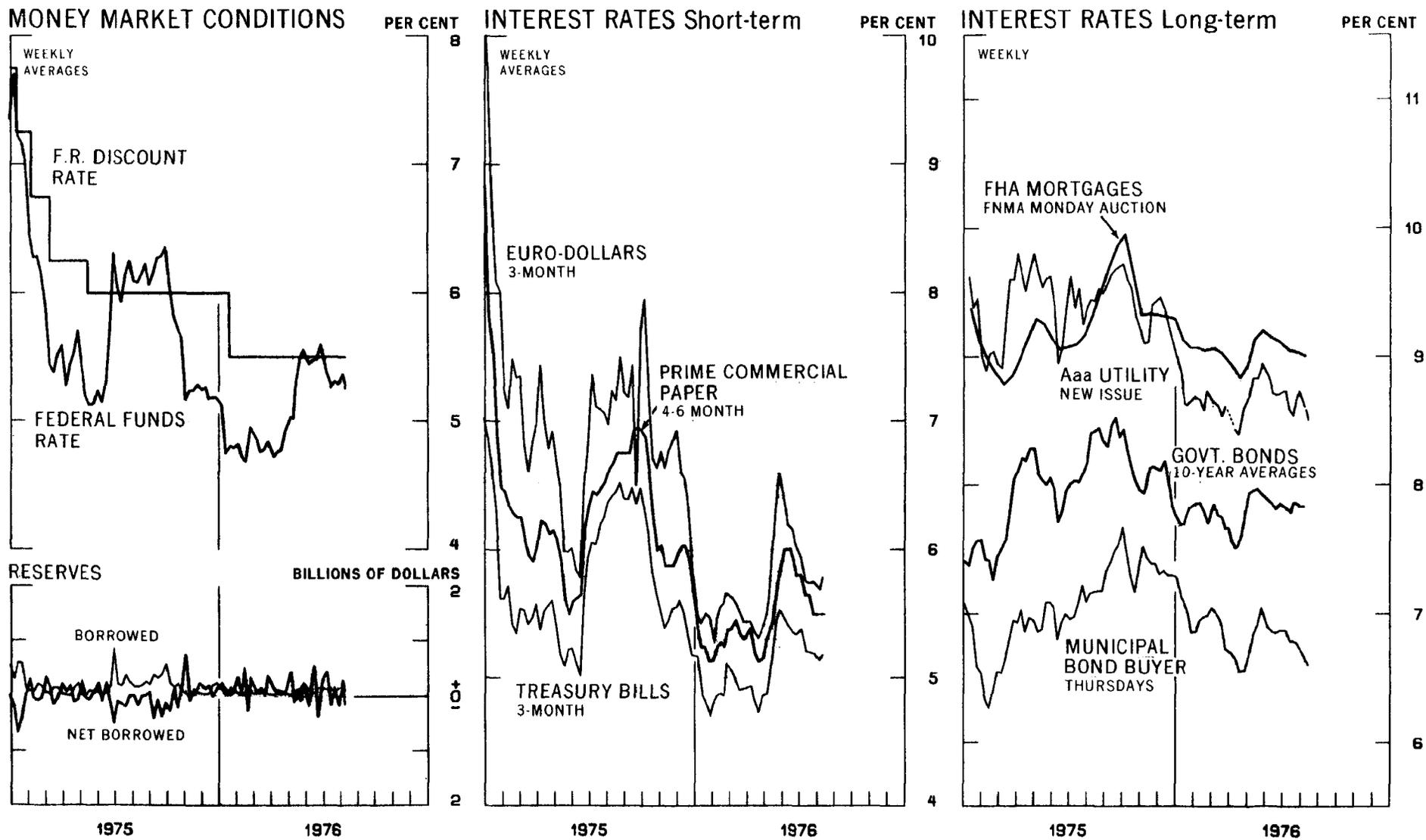


TABLE 1
BANK RESERVES
ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

AUG. 13, 1976

Period	BANK RESERVES			REQUIRED RESERVES			
	Total Reserves	Nonborrowed Reserves	Monetary Base	Total Required	Private Demand	Total Time Deposits	Gov't. and Interbank
	1	2	3	4	5	6	7
MONTHLY LEVELS--\$MILLIONS							
1976--MAY	34,136	34,022	113,994	33,927	19,990	11,750	2,186
JUNE	34,335	34,209	114,653	34,121	19,953	11,842	2,326
JULY	34,384	34,252	115,145	34,156	19,952	12,004	2,200
AUG.	(34,462)	(34,357)	(115,662)	(34,298)	(20,120)	(11,798)	(2,380)
PERCENT ANNUAL GROWTH							
QUARTERLY							
1975--4TH QTR.	1.4	4.5	7.3	0.5	-3.4	4.1	
1976--1ST QTR.	-6.2	-5.3	4.6	-5.7	-2.0	-11.0	
2ND QTR.	3.9	3.1	8.8	4.0	6.0	-1.0	
QUARTERLY-AV							
1975--4TH QTR.	0.6	2.7	5.6	-0.1	-2.1	-0.6	
1976--1ST QTR.	-3.8	-3.2	5.3	-3.6	-1.0	-6.5	
2ND QTR.	0.8	0.5	8.5	1.2	4.2	-4.4	
MONTHLY							
1976--MAY	4.0	1.5	7.0	2.1	12.6	-18.2	
JUNE	7.0	6.6	6.9	6.9	-2.2	9.4	
JULY	1.7	1.5	5.1	1.2	-0.1	16.4	
AUG.	(2.7)	(3.7)	(5.4)	(5.0)	(10.1)	(-20.6)	
JULY-AUG.	(2.2)	(2.6)	(5.3)	(3.1)	(5.0)	(-2.2)	
WEEKLY LEVELS--\$MILLIONS							
1976--JULY 7	34,760	34,634	114,939	34,198	19,915	11,959	2,325
14	34,072	33,896	115,001	34,043	19,835	12,058	2,149
21	34,324	34,265	115,189	34,096	19,961	12,033	2,102
28	34,103	33,944	115,085	34,101	19,976	11,997	2,128
1976--AUG. 4	35,035	34,879	116,004	34,591	20,232	11,936	2,423
11	34,227	34,105	115,060	34,266	20,081	11,889	2,296

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

Table 2

MONETARY AGGREGATES

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

CONFIDENTIAL (FR)
CLASS II-FOMC
AUG. 13, 1976

Period	Money Supply		Adjusted Credit Proxy	Total U.S. Govt. Deposits	Time and Savings Deposits					Nondeposit Sources of Funds	Member Bank U.S. Govt. Deposits
	Narrow (M1)	Broad (M2)			Total	Other Than CD'S			CD'S		
						Total	Savings	Other			
	1	2	3	4	5	6	7	8	9	10	11
MONTHLY LEVELS--\$BIL											
1976--MAY	303.3	697.2	515.3	7.4	462.1	393.9	179.4	214.5	68.2	7.6	2.3
JUNE	303.1	700.3	522.3	9.8	467.9	397.3	179.4	217.9	70.6	8.4	3.7
JULY	304.8	707.6	523.7	9.0	472.3	402.8	181.1	221.7	69.6	8.8	2.7
AUG.	(306.1)	(712.4)	(522.0)	(12.4)	(470.7)	(406.3)	(183.6)	(222.7)	(64.4)	(8.8)	(4.0)
% ANNUAL GROWTH											
QUARTERLY											
1975--4TH QTR.	1.6	7.0	7.0		12.9	11.6	15.8	8.2	19.2		
1976--1ST QTR.	4.3	11.5	1.2		5.4	17.1	32.4	5.6	-46.8		
2ND QTR.	6.8	9.9	4.9		8.2	12.4	13.6	11.3	-14.2		
QUARTERLY--AV											
1975--4TH QTR.	2.3	6.4	6.0		9.7	9.8	14.4	6.6	9.5		
1976--1ST QTR.	2.6	10.1	2.3		7.8	15.9	28.3	6.7	-29.3		
2ND QTR.	8.4	11.3	2.4		6.3	13.7	21.7	7.0	-30.6		
MONTHLY											
1976--MAY	6.4	9.2	-4.6		1.3	11.4	18.3	5.6	-53.8		
JUNE	-0.8	5.3	16.3		15.1	10.4	0.0	19.0	42.2		
JULY	6.7	12.5	3.2		11.3	16.6	11.4	20.9	-17.0		
AUG.	(5.1)	(8.1)	(-3.9)		(-4.1)	(10.4)	(16.6)	(5.4)	(-89.7)		
JULY-AUG.	(5.9)	(10.4)	(-0.3)		(3.6)	(13.6)	(14.0)	(13.2)	(-52.7)		
WEEKLY LEVELS--\$BIL											
1976--JULY 7	304.3	704.9	522.6	9.4	472.0	400.6	179.6	221.0	71.5	8.5	2.0
14	304.6	706.9	523.1	9.3	472.8	402.3	180.7	221.6	70.4	8.5	2.4
21	306.0	709.0	526.6	8.9	472.7	403.0	181.4	221.6	69.7	9.0	3.7
28	304.8	709.2	524.4	8.6	472.6	404.4	182.1	222.3	68.2	9.1	3.0
AUG. 4 P	305.5	710.1	523.3	11.0	471.2	404.7	182.6	222.1	66.5	8.7	3.0

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

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

P - PRELIMINARY

CONFIDENTIAL (FR)
CLASS II - FOMC
AUGUST 13, 1976

TABLE 3
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/	Net RP's 6/
		Within 1-year	1 - 5	5 - 10	Over 10	Total	Within 1-year	1 - 5	5 - 10	Over 10	Total		
1972	-490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	-46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	-154
1975	-468	337	3,284	1,510	1,070	6,202	191	824	460	138	1,613	7,267	1,272
1975--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
1976--Qtr. I	-363	115	554	226	156	1,052	102	288	108	38	535	1,022	1,256
Qtr. II	2,067	109	796	245	134	1,284	3	140	57	40	240	3,371	1,654
1976--Feb.	1,275	40	366	63	59	528	76	149	61	11	297	2,029	-3,129
Mar.	-42	38	78	63	24	203	--	--	--	--	--	23	788
Apr.	513	27	179	51	38	294	--	--	--	--	--	758	1,261
May	-292	--	--	--	--	--	3	140	57	40	240	-122	-958
June	1,845	83	617	195	96	990	--	--	--	--	--	2,735	1,351
July	-2,009	--	--	--	--	--	--	--	--	--	--	-2,040	-2,334
1976--June 2	-572	--	--	--	--	--	--	--	--	--	--	-587	-5,170
9	-302	--	--	--	--	--	--	--	--	--	--	-310	-1,068
16	949	--	--	--	--	--	--	--	--	--	--	911	5,443
23	909	28	387	112	64	591	--	--	--	--	--	1,484	-147
30	861	55	229	83	32	399	--	--	--	--	--	1,240	3,157
July 7	-472	--	--	--	--	--	--	--	--	--	--	-481	-3,126
14	-783	--	--	--	--	--	--	--	--	--	--	-791	-1,003
21	-523	--	--	--	--	--	--	--	--	--	--	-526	--
28	-231	--	--	--	--	--	--	--	--	--	--	-238	2,188
Aug. 4	--	--	--	--	--	--	--	--	--	--	--	-13	2,499
11	135	--	--	--	--	--	--	--	--	--	--	115	-8,081
18													
25													

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

Period	U.S. Govt. Security Dealer Positions		Underwriting Syndicate Positions		Member Bank Reserve Positions				
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)	Borrowing at FRB**			Basic Reserve Deficit	
					Excess** Reserves (5)	Total (6)	Seasonal (7)	8 New York (8)	38 Others (9)
1975--High	7,029	2,845	464	389	804	609	74	-7,387	-11,632
Low	1,586	253	0	48	-42	17	5	-1,757	- 7,207
1976--High	6,821	*2,060	334	249	655	242	29	-6,686	-12,660
Low	3,668	175	0	34	-106	24	8	-2,367	- 6,908
1975--July	4,321	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	265	130	14	-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	256	81	10	-4,138	-10,015
Mar.	5,910	778	43	151	223	54	8	-4,726	- 9,640
Apr.	5,750	605	69	133	155	43	10	-5,179	-10,783
May	4,239	591	95	199	210	114	11	-4,402	- 8,151
June	4,996	582	100	196	214	127	20	-4,219	- 9,158
July	*5,743	*904	106	211	235p	133p	25p	-4,728p	- 9,289p
1976--June 2	5,266	175	10	199	453	242	17	-3,235	- 7,605
9	5,032	636	30	223	-70	93	12	-5,370	-10,581
16	5,777	522	25	201	571	49	16	-4,916	- 9,561
23	4,445	561	334	160	-180	165	22	-3,701	- 9,559
30	4,495	793	213	204	465	166	29	-3,154	- 6,908
July 7	5,263	1,264	146	228	562	124	26	-5,006	- 7,760
14	5,630	1,015	139	238	29	177	23	-5,958	-11,101
21	*5,744	*619	13	212	228	59	24	-3,917	- 9,724
28	*6,232	*817	19	175	2p	159p	27p	-3,805	- 8,875
Aug. 4	*6,201	*977	32	107	444p	156p	22p	-3,525p	- 9,091p
11	*6,103	*2,060	70p	100p	-35p	122p	26p	-5,193p	-11,233p
18									
25									

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

*STRICTLY CONFIDENTIAL

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

TABLE 5
SELECTED INTEREST RATES
(Per cent)

Period	Short-Term						Long-Term					
	Federal Funds	Treasury Bills		90-119 Day Commercial Paper	CD's New Issue-NYC		Aaa Utility		Municipal Bond Buyer	U.S. Govt. 20-Yr. Constant Maturity)	FNMA Auction Yield	GNMA Guaranteed Securities
		90-Day	1-Year		60-Day	90-Day	New Issue	Recently Offered				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
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
1976--High	5.58	5.53	6.32	5.90	5.63	5.75	8.95	8.94	7.13	8.17	9.20	8.45
Low	4.70	4.73	5.35	5.00	4.75	4.88	8.38	8.44	6.54	7.80	8.83	8.00
1975--July	6.10	6.13	6.64	6.32	6.05	6.25	9.41	9.42	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	9.21	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.	4.84	5.00	5.82	5.25	5.05	5.20	8.62	8.61	6.92	7.97	9.05	8.30
Apr.	4.82	4.86	5.54	5.08	4.81	4.94	8.48	8.52	6.60	7.86	8.89	8.10
May	5.29	5.20	5.98	5.44	5.25	5.38	8.82	8.77	6.87	8.13	9.09	8.33
June	5.48	5.41	6.12	5.83	5.55	5.68	8.72	8.73	6.87	8.03	9.13	8.35
July	5.31	5.23	5.82	5.54	5.30	5.42	8.63	8.63	6.79	8.00	9.05	8.37
1976--June 2	5.54	5.53	6.32	5.81	5.63	5.75	8.83	8.80	6.89	8.08	9.20	8.44
9	5.44	5.46	6.17	5.88	5.63	5.75	8.71	8.76	6.86	8.04	--	8.39
16	5.47	5.40	6.07	5.90	5.63	5.75	8.69	8.70	6.85	8.02	9.14	8.34
23	5.48	5.36	6.06	5.85	5.50	5.63	8.70	8.74	6.87	7.99	--	8.34
30	5.58	5.34	6.08	5.68	5.38	5.50	8.72	8.67	6.87	8.02	9.12	8.34
July 7	5.37	5.38	6.03	5.75	5.50	5.63	8.58	8.57	6.78	7.98	--	8.41
14	5.27	5.21	5.75	5.60	5.25	5.38	8.53	8.55	6.78	7.96	9.05	8.34
21	5.30	5.20	5.79	5.50	5.25	5.38	8.66	8.68	6.77	8.03	--	8.34
28	5.28	5.19	5.78	5.40	5.20	5.30	8.72	8.69	6.73	8.03	9.04	8.37
Aug. 4	5.36	5.15	5.74	5.38	5.20	5.30	8.60	8.60	6.65	7.99	--	8.37
11	5.25	5.18	5.67	5.38	5.25	5.35	8.50p	8.49p	6.60	7.94p	9.01	8.37
18												
25												
Daily--Aug. 5	5.33	5.19	5.73	5.38	--	--	--	--	--	8.00	--	--
12	5.24p	5.16	5.66	5.38	--	--	--	--	--	7.92(8/11)	--	--

NOTE: Weekly data for columns 1 to 4 are statement week averages of daily data. Columns 5 and 6 are 1-day Wednesday quotes (prior to 1976, figures shown are for 60-89 day and 90-119 day ranges, respectively). For columns 7 and 10, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 8 and 9 are 1-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 1-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 coupon rate 50 basis points below the current FHA/VA ceiling.

APPENDIX TABLE 1-A
MONEY AND CREDIT AGGREGATE MEASURES

AUG. 13, 1976

Period	BANK RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Monetary Base	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:												
1973	6.7	6.0	7.7	10.5	13.8	6.0	8.8	8.8	11.6	10.6	11.1	11.9
1974	7.1	9.2	9.2	10.2	9.2	4.7	7.2	6.8	10.6	9.0	8.9	8.9
1975	-0.4	1.3	5.8	3.9	4.4	4.1	8.5	11.3	6.4	9.7	10.0	9.7
SEMI-ANNUALLY:												
1ST HALF 1975	-1.2	1.7	5.6	4.5	4.2	5.6	9.8	11.9	6.9	9.9	9.5	9.4
2ND HALF 1975	0.3	0.9	5.7	3.1	4.5	2.6	6.8	10.1	5.7	9.2	10.0	9.5
1ST HALF 1976	-1.2	-1.2	6.7	3.1	4.9	5.6	10.8	12.2	6.3	9.2	8.6	8.9
QUARTERLY:												
3RD QTR. 1975	-0.8	-2.8	4.1	-0.8	4.2	3.6	6.5	10.7	3.0	8.1	8.6	7.5
4TH QTR. 1975	1.4	4.5	7.3	7.0	4.6	1.6	7.0	9.3	8.4	10.0	11.3	11.3
1ST QTR. 1976	-6.2	-5.3	4.6	1.2	5.5	4.3	11.5	12.6	5.0	8.4	7.7	7.7
2ND QTR. 1976	3.9	3.1	8.8	4.9	4.3	6.8	9.9	11.4	7.6	9.8	9.4	9.9
QUARTERLY-AV:												
3RD QTR. 1975	0.1	-1.9	6.3	1.4	4.4	7.1	10.1	13.3	5.7	10.1	10.7	9.5
4TH QTR. 1975	0.6	2.7	5.6	6.0	6.0	2.3	6.4	9.4	6.7	9.4	9.9	9.6
1ST QTR. 1976	-3.8	-3.2	5.3	2.3	3.8	2.6	10.1	11.4	5.7	8.6	8.7	8.7
2ND QTR. 1976	0.8	0.5	8.5	2.4	5.4	8.4	11.3	12.4	7.1	9.6	9.0	9.3
MONTHLY:												
1975--JULY	-3.2	-5.8	4.7	-3.3	1.0	3.7	9.5	13.2	5.1	10.0	11.9	10.6
AUG.	-3.1	0.0	4.9	-4.3	5.9	5.3	5.7	10.3	-0.5	5.9	7.0	6.0
SEPT.	3.9	-2.6	2.8	5.2	5.7	1.6	4.2	8.5	4.3	8.2	6.5	5.7
OCT.	-6.3	0.8	3.6	5.9	6.4	-0.8	5.3	8.7	7.9	9.9	10.3	10.1
NOV.	9.7	14.3	11.1	14.4	9.8	9.0	11.5	11.9	11.7	12.1	14.3	14.3
DEC.	0.8	-1.6	7.0	0.7	-2.3	-3.2	4.0	7.1	5.3	7.7	8.9	9.1
1976--JAN.	-10.2	-8.4	2.6	-0.7	3.5	1.2	10.7	11.9	3.5	7.2	7.1	7.1
FEB.	-6.8	-6.9	4.0	3.5	5.9	5.7	14.9	14.7	7.0	9.8	8.2	8.0
MAR.	-1.7	-0.8	7.0	0.9	6.9	6.1	8.7	10.8	4.3	7.9	7.7	7.8
APR.	0.7	1.1	12.2	3.0	5.4	14.9	14.9	14.8	10.9	12.1	11.2	11.4
MAY	4.0	1.5	7.0	-4.6	5.4	6.4	9.2	10.8	3.1	7.0	6.6	7.2
JUNE	7.0	6.6	6.9	16.3	2.1	-0.8	5.3	8.1	8.6	10.0	10.2	10.8
JULY P	1.7	1.5	5.1	3.2	6.9	6.7	12.5	13.2	9.8	11.4	11.6	12.0

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.

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

AUG. 13, 1976

Period	BANK RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Monetary Base	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	96,051	449.4	637.7	270.5	571.4	919.5	634.9	982.9	1093.7	1132.0
1974	34,693	33,966	104,892	495.3	695.2	283.1	612.4	981.6	702.2	1071.4	1191.0	1232.7
1975	34,539	34,409	110,930	514.4	725.5	294.8	664.3	1092.9	747.2	1175.8	1310.3	1351.9
MONTHLY:												
1975--JULY	34,399	34,098	108,254	505.1	710.3	291.9	647.5	1051.6	729.6	1133.7	1260.1	1302.1
AUG.	34,310	34,099	108,694	503.3	713.8	293.2	650.6	1060.6	729.3	1139.3	1267.5	1308.6
SEPT.	34,421	34,024	108,949	505.5	717.2	293.6	652.9	1068.1	731.9	1147.1	1274.4	1314.8
OCT.	34,239	34,048	109,279	508.0	721.0	293.4	655.8	1075.8	736.7	1156.6	1285.3	1325.9
NOV.	34,515	34,455	110,287	514.1	726.9	295.6	662.1	1086.5	743.9	1168.3	1300.6	1341.7
DEC.	34,539	34,409	110,930	514.4	725.5	294.8	664.3	1092.9	747.2	1175.8	1310.3	1351.9
1976--JAN.	34,245	34,167	111,171	514.1	727.6	295.1	670.2	1103.7	749.4	1182.9	1318.0	1359.9
FEB.	34,052	33,971	111,538	515.6	731.2	296.5	678.5	1117.2	753.8	1192.6	1327.0	1369.0
MAR.	34,003	33,949	112,192	516.0	735.4	298.0	683.4	1127.3	756.5	1200.5	1335.5	1377.9
APR.	34,024	33,980	113,333	517.3	738.7	301.7	691.9	1141.2	763.4	1212.6	1348.0	1391.0
MAY	34,136	34,022	113,994	515.3	742.0	303.3	697.2	1151.5	765.4	1219.7	1355.4	1399.3
JUNE	34,335	34,209	114,653	522.3	743.3	303.1	700.3	1159.3	770.9	1229.9	1366.9	1411.9
JULY P	34,384	34,252	115,145	523.7	747.6	304.8	707.6	1172.1	777.2	1241.6	1380.1	1426.0
WEEKLY:												
1976--JUNE 9	33,939	33,846	114,213	520.6		304.6	700.6		770.3			
16	34,438	34,389	114,784	524.2		303.7	701.3		771.7			
23	34,031	33,866	114,389	522.9		301.9	699.5		770.6			
30	34,965	34,799	115,291	522.7		302.2	701.6		773.6			
JULY 7	34,760	34,634	114,939	522.6		304.3	704.9		776.4			
14	34,072	33,896	115,001	523.1		304.6	706.9		777.4			
21	34,324	34,265	115,189	526.6		306.0	709.0		778.7			
28P	34,103	33,944	115,085	524.4		304.8	709.2		777.4			
AUG. 4P	35,035	34,879	116,004	523.3		305.5	710.1		776.6			

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

P - PRELIMINARY

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits					Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities ^{1/}	Commercial Paper ^{1/}
			Total	Other Than CD's			CD's					
				Total	Savings	Other						
	1	2	3	4	5	6	7	8	9	10	11	12
(Per cent annual rates of growth)												
ANNUALLY:												
1973	8.1	5.3	16.2	11.4	2.8	18.7	45.6	8.5	13.8	4.9	31.3	39.3
1974	10.2	3.0	15.0	9.4	7.0	11.2	41.4	5.6	12.1	4.8	11.9	9.1
1975	8.7	2.6	7.9	12.2	17.8	8.2	-7.7	15.8	20.2	6.2	19.5	-0.5
SEMI-ANNUALLY:												
1ST HALF 1975	9.4	4.4	7.8	13.4	18.2	10.0	-12.7	15.2	20.9	5.7	6.7	5.7
2ND HALF 1975	7.6	0.9	7.8	10.4	16.0	6.1	-2.9	15.2	17.6	6.5	31.3	-6.5
1ST HALF 1976	10.6	4.1	6.9	15.0	23.6	8.5	-29.7	14.0	16.8	6.3	1.2	15.9
QUARTERLY:												
3RD QTR. 1975	5.6	2.9	2.6	8.9	15.6	3.9	-23.8	17.4	17.0	5.8	19.2	-24.2
4TH QTR. 1975	9.4	-1.1	12.9	11.6	15.8	8.2	19.2	12.5	17.6	6.0	41.3	11.9
1ST QTR. 1976	10.9	2.4	5.4	17.1	32.4	5.6	-46.8	14.3	16.8	6.5	-3.6	7.7
2ND QTR. 1976	10.0	5.8	8.2	12.4	13.6	11.3	-14.2	13.2	16.1	5.9	6.0	23.6
QUARTERLY-AV:												
3RD QTR. 1975	8.5	6.6	4.7	12.7	18.9	8.0	-27.5	18.2	18.6	6.8	26.4	-23.7
4TH QTR. 1975	8.4	0.2	9.7	9.8	14.4	6.6	9.5	14.0	16.5	6.1	23.5	-1.0
1ST QTR. 1976	9.8	0.4	7.8	15.9	28.3	6.7	-29.3	13.4	17.1	6.6	12.3	9.7
2ND QTR. 1976	11.7	7.2	6.3	13.7	21.7	7.0	-30.6	13.8	16.4	5.9	0.6	17.1
MONTHLY:												
1975--JULY	5.1	3.3	5.8	14.0	17.8	11.2	-28.5	18.9	15.7	9.2	53.6	-25.1
AUG.	10.1	3.8	-3.8	6.4	15.1	0.0	-48.2	17.7	19.4	5.5	27.6	-28.5
SEPT.	1.7	1.6	5.8	6.0	13.4	0.6	4.6	14.9	15.2	5.5	-23.2	-20.4
OCT.	10.0	-4.3	13.7	10.7	11.7	10.0	27.3	13.5	18.8	7.3	21.6	3.0
NOV.	13.2	7.1	13.5	13.6	14.6	12.8	13.4	12.4	14.8	5.4	63.8	17.8
DEC.	4.9	-5.9	11.0	10.1	20.5	1.7	16.1	11.3	18.3	5.4	34.9	14.6
1976--JAN.	8.1	-1.1	5.3	18.2	26.9	12.1	-53.6	13.4	18.0	7.1	3.6	8.7
FEB.	14.6	3.8	7.7	21.4	44.6	4.0	-57.6	14.7	10.7	7.1	-19.6	5.7
MAR.	9.6	4.3	3.1	11.0	23.3	0.6	-35.0	14.2	21.1	5.3	5.4	8.6
APR.	15.9	14.6	8.1	14.9	22.1	9.1	-29.5	14.1	13.8	5.3	0.0	17.0
MAY	11.0	5.3	1.3	11.4	18.3	5.6	-53.8	13.3	13.7	7.0	0.0	25.1
JUNE	3.1	-2.7	15.1	10.4	0.0	19.0	42.2	11.7	20.3	5.2	18.0	27.3
JULY P	9.3	5.9	11.3	16.6	11.4	20.9	-17.0	13.9	23.3	6.9	19.5	26.7

^{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.

AUG. 13, 1976

APPENDIX TABLE 2-8
COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits					Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short-Term U.S. Gov't Sec ^{1/}	Com-mercial Paper ^{1/}	Non-Deposit Funds	Total Gov't Demand Deposits ^{2/}
			Total	Other Than CD's			CD's							
				Total	Savings	Other								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
ANNUALLY:														
1973	61.5	209.0	364.4	300.9	127.3	173.6	63.5	323.5	24.7	60.4	50.3	38.3	6.6	7.3
1974	67.8	215.3	419.1	329.3	136.2	193.1	89.8	341.6	27.7	63.3	56.3	41.8	8.4	5.6
1975	73.7	221.0	452.4	369.6	160.5	209.0	82.9	395.5	33.3	67.2	67.3	41.6	8.4	7.6
MONTHLY:														
1975--JULY	71.3	220.6	437.6	355.5	150.8	204.7	82.1	373.3	31.0	65.6	60.8	42.1	6.8	4.3
AUG.	71.9	221.3	436.2	357.4	152.7	204.7	78.8	378.8	31.5	65.9	62.2	41.1	7.0	3.6
SEPT.	72.0	221.6	438.3	359.2	154.4	204.8	79.1	383.5	31.9	66.2	61.0	40.4	7.0	6.9
OCT.	72.6	220.8	443.3	362.4	155.9	206.5	80.9	387.8	32.4	66.6	62.1	40.5	7.9	8.6
NOV.	73.4	222.1	448.3	366.5	157.8	208.7	81.8	391.8	32.8	66.9	65.4	41.1	8.2	9.6
DEC.	73.7	221.0	452.4	369.6	160.5	209.0	82.9	395.5	33.3	67.2	67.3	41.6	8.4	7.6
1976--JAN.	74.2	220.8	454.4	375.2	164.1	211.1	79.2	399.9	33.8	67.6	67.5	41.9	7.9	8.0
FEB.	75.1	221.5	457.3	381.9	170.2	211.8	75.4	404.8	34.1	68.0	66.4	42.1	8.0	10.9
MAR.	75.7	222.3	458.5	385.4	173.5	211.9	73.2	409.6	34.7	68.3	66.7	42.4	8.2	10.9
APR.	76.7	225.0	461.6	390.2	176.7	215.5	71.4	414.4	35.1	68.6	66.7	43.0	7.5	7.2
MAY	77.4	226.0	462.1	393.9	179.4	214.5	68.2	419.0	35.5	69.0	66.7	43.9	7.6	7.4
JUNE	77.6	225.5	467.9	397.3	179.4	217.9	70.6	423.1	36.1	69.3	67.7	44.9	8.4	9.8
JULY P	78.2	226.6	472.3	402.8	181.1	221.7	69.6	428.0	36.8	69.7	68.8	45.9	8.8	9.0
WEEKLY:														
1976--JUNE 9	77.8	226.2	466.3	396.6	179.7	216.9	69.7						7.7	8.2
16	77.7	226.0	468.0	397.6	179.2	218.4	70.4						8.4	9.3
23	77.7	224.2	468.7	397.7	179.2	218.4	71.1						9.1	10.3
30	77.6	224.6	471.5	399.5	179.2	220.3	72.0						8.8	10.4
JULY 7	77.8	226.6	472.0	400.6	179.6	221.0	71.5						8.5	9.4
14	78.3	226.3	472.8	402.3	180.7	221.6	70.4						8.5	9.3
21	78.2	227.8	472.7	403.0	181.4	221.6	69.7						9.0	8.9
28 P	78.3	226.5	472.6	404.4	182.1	222.3	68.2						9.1	8.6
AUG. 4 P	78.4	227.1	471.2	404.7	182.6	222.1	66.5						8.7	11.0

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

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

P - PRELIMINARY