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September 16, 1977

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# MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

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Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

September 16, 1977

MONETARY AGGREGATES AND  
MONEY MARKET CONDITIONS

Recent developments

(1) M-1 grew at an annual rate of 5.5 per cent in August, and for the August-September period is projected to increase at a 6.1 per cent annual rate, about one percentage point above the upper end of the Committee's range. Savings deposit inflows to banks strengthened in August and early September, but the time deposit component of M-2 weakened considerably. Accordingly, the M-2 growth projection for the August-September period--at 6.7 per cent--is within the Committee's range, but in the upper half. Deposit growth at thrift institutions was maintained in August at the very rapid July pace. Nonborrowed reserves fell substantially in August, as member banks met a greater portion of their reserve requirements by borrowing at the System's discount window. Following the rise in the discount rate from 5-1/4 to 5-3/4 per cent in late August, member bank borrowing dropped back to around its July level, and nonborrowed reserves are projected to increase rapidly in September.

Growth in Monetary Aggregates  
over August-September period  
(SAAR in per cent)

|                      | <u>Ranges</u> | <u>Latest Estimates</u> |
|----------------------|---------------|-------------------------|
| M-1                  | 0 to 5        | 6.1                     |
| M-2                  | 3 to 8        | 6.7                     |
| Memorandum:          |               | Avg. for statement      |
| Federal funds rate   | 5½ to 6½      | <u>week ending</u>      |
| (per cent per annum) |               | Aug. 17 5.94            |
|                      |               | 24 5.99                 |
|                      |               | 31 6.02                 |
|                      |               | Sept. 7 5.97            |
|                      |               | 14 6.05                 |

(2) In the weeks immediately following the August FOMC meeting, incoming data indicated that M-1 and M-2 were, respectively, growing at rates in the upper half and near the mid-point of their ranges. Consequently, the Desk continued to seek a Federal funds rate of around 6 per cent. More recently, however, as M-1 growth appeared to be exceeding the upper limit of its range, and with M-2 in the upper half of its range, the Desk has sought a firming in the Federal funds rate to around 6-1/8 per cent.

(3) Credit demands generally have been maintained at a high level in recent weeks. In the short-term area, business borrowing in August was somewhat stronger than in July, and the Treasury tapped the bill sector for a substantial sum of new money for the first time since late last year. The Federal Government also has continued to be an active borrower in the coupon market, and bond offerings by corporations and State and local governments--encouraged in part by favorable market conditions--have remained sizable. Moreover, households apparently have continued to raise a large volume of funds in mortgage and consumer credit markets.

(4) The strengthening in short-term credit demands, market response to the large increase of M-1 in the last week of August, and a rise in the Federal funds rate have contributed to an increase in short-term interest rates amounting to as much as 30 basis points since the August FOMC meeting. Long-term rates, on the other hand, have been unchanged or have declined somewhat on balance since mid-August, as demands for bonds from institutional investors have remained strong. Stock prices have edged lower over the intermeeting period.

(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.

|                                                                        | 1975 &<br>1976<br>Average | Past<br>Twelve<br>Months<br>Aug. '77<br>over<br>Aug. '76 | Past<br>Six<br>Months<br>Aug. '77<br>over<br>Feb. '77 | Past<br>Three<br>Months<br>Aug. '77<br>over<br>May '77 | Past<br>Month<br>Aug. '77<br>over<br>July '77 |
|------------------------------------------------------------------------|---------------------------|----------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------|
| Nonborrowed reserves                                                   | 1.4                       | 2.0                                                      | 1.5                                                   | 0.8                                                    | -15.3                                         |
| Total reserves                                                         | 0.4                       | 4.8                                                      | 7.3                                                   | 10.6                                                   | 9.9                                           |
| Monetary Base                                                          | 6.6                       | 7.9                                                      | 8.8                                                   | 9.6                                                    | 8.1                                           |
| <u>Concepts of Money</u>                                               |                           |                                                          |                                                       |                                                        |                                               |
| M-1 (Currency plus demand deposits) <u>1/</u>                          | 5.2                       | 7.1                                                      | 9.1                                                   | 9.5                                                    | 5.5                                           |
| M-2 (M-1 plus time deposits at commercial banks other than large CD's) | 10.4                      | 10.9                                                     | 9.9                                                   | 10.5                                                   | 6.4                                           |
| M-3 (M-2 plus deposits at thrift institutions)                         | 13.0                      | 12.6                                                     | 11.3                                                  | 12.5                                                   | 11.2                                          |
| M-4 (M-2 plus CD's)                                                    | 7.3                       | 9.7                                                      | 9.1                                                   | 10.1                                                   | 6.5                                           |
| M-5 (M-3 plus CD's)                                                    | 10.7                      | 11.8                                                     | 10.7                                                  | 12.1                                                   | 11.0                                          |
| <u>Bank Credit</u>                                                     |                           |                                                          |                                                       |                                                        |                                               |
| Loans and investments of all commercial banks <u>2/</u>                |                           |                                                          |                                                       |                                                        |                                               |
| Month-end basis                                                        | 6.7                       | 10.8                                                     | 11.0                                                  | 10.3                                                   | 12.3                                          |
| Average of Wednesdays                                                  | 6.2                       | 15.3                                                     | 10.0                                                  | 10.1                                                   | 11.8                                          |
| <u>Short-term Market Paper</u><br>(Monthly average change in billions) |                           |                                                          |                                                       |                                                        |                                               |
| Large CD's                                                             | -1.1                      | -0.2                                                     | 0.0                                                   | 0.3                                                    | 0.4                                           |
| Nonbank commercial paper                                               | 0.0                       | 0.2                                                      | 0.3                                                   | 0.2                                                    | 0.2                                           |

1/ Other than interbank and U.S. Government

2/ Includes loans sold to affiliates and branches.

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

Prospective developments

(6) Summarized below for Committee consideration are three alternative specifications for the Federal funds rate and the monetary aggregates for the forthcoming intermeeting period. (More detailed and longer-run data on the aggregates are shown in the tables on pp. 6 and 7).

|                                             | <u>Alt. A</u> | <u>Alt. B</u> | <u>Alt. C</u> |
|---------------------------------------------|---------------|---------------|---------------|
| Ranges for September-October                |               |               |               |
| M-1                                         | 5½-9½         | 5-9           | 4½-8½         |
| M-2                                         | 6-10          | 5½-9½         | 5-9           |
| Federal funds rate<br>(intermeeting period) | 5½-6          | 5¾-6½         | 6½-7          |

(7) Assuming a Federal funds rate centered in the 5¾-6½ per cent range specified for alternative B, M-1 over the September-October period is expected to expand in a 5-9 per cent annual rate range. Incoming data suggest that M-1 will grow at about a 6½ per cent annual rate in September, and the staff would anticipate a slight acceleration to about a 7½ per cent annual rate in October. Strength in the demand for M-1 is likely to be sustained in the fall, given the pick-up in growth of nominal GNP that is projected and recent indications that the public may be reducing the extent to which it is shifting out of M-1 into other liquid assets.

(8) Growth in M-1 from the second to the third quarter will be at about a 9½ per cent annual rate. To restrain M-1 growth over the one year QII '77-QII '78 period to around the mid-point of the 4-6½ per cent range adopted by the Committee in July would require a considerable slowing in M-1 growth in the fourth and subsequent quarters. The required

Alternative Levels and Growth Rates for Key Monetary Aggregates

|                           |                 | <u>M-1</u>    |               |               | <u>M-2</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> |
| 1977                      | August          | 328.3         | 328.3         | 328.3         | 787.7         | 787.7         | 787.7         |
|                           | September       | 330.1         | 330.1         | 330.1         | 792.2         | 792.2         | 792.2         |
|                           | October         | 332.4         | 332.1         | 331.8         | 797.9         | 797.3         | 796.7         |
| 1977                      | QII             | 321.0         | 321.0         | 321.0         | 768.3         | 768.3         | 768.3         |
|                           | QIII            | 328.4         | 328.4         | 328.4         | 787.8         | 787.8         | 787.8         |
|                           | QIV             | 334.2         | 333.3         | 332.9         | 803.9         | 801.9         | 801.0         |
| 1978                      | QI              | 336.4         | 335.5         | 335.2         | 817.1         | 814.4         | 813.8         |
|                           | QII             | 337.8         | 337.8         | 337.8         | 827.6         | 827.1         | 827.3         |
| <u>Growth Rates</u>       |                 |               |               |               |               |               |               |
| <u>Monthly:</u>           |                 |               |               |               |               |               |               |
| 1977                      | September       | 6.6           | 6.6           | 6.6           | 6.9           | 6.9           | 6.9           |
|                           | October         | 8.4           | 7.3           | 6.2           | 8.6           | 7.7           | 6.8           |
| <u>Quarterly Average:</u> |                 |               |               |               |               |               |               |
| 1977                      | QIII            | 9.2           | 9.2           | 9.2           | 10.2          | 10.2          | 10.2          |
|                           | QIV             | 7.1           | 6.0           | 5.5           | 8.2           | 7.2           | 6.7           |
| 1978                      | QI              | 2.6           | 2.6           | 2.8           | 6.6           | 6.2           | 6.4           |
|                           | QII             | 1.7           | 2.7           | 3.1           | 5.1           | 6.2           | 6.6           |
| <u>Semi-Annual:</u>       |                 |               |               |               |               |               |               |
|                           | QII '77-QIV '77 | 8.2           | 7.7           | 7.4           | 9.3           | 8.7           | 8.5           |
|                           | QIV '77-QII '78 | 2.2           | 2.7           | 2.9           | 5.9           | 6.3           | 6.6           |
| <u>Annual:</u>            |                 |               |               |               |               |               |               |
|                           | QII '77-QII '78 | 5.2           | 5.2           | 5.2           | 7.7           | 7.7           | 7.7           |
| <u>FOMC Range:</u>        |                 |               |               |               |               |               |               |
|                           |                 |               | 4-6½          |               |               |               | 7-9½          |

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

|                           |           | <u>M-3</u>    |               |               | <u>Bank Credit</u> |               |               |
|---------------------------|-----------|---------------|---------------|---------------|--------------------|---------------|---------------|
|                           |           | <u>Alt. A</u> | <u>Alt. B</u> | <u>Alt. C</u> | <u>Alt. A</u>      | <u>Alt. B</u> | <u>Alt. C</u> |
| 1977                      | August    | 1329.2        | 1329.2        | 1329.2        | 841.1              | 841.1         | 841.1         |
|                           | September | 1340.9        | 1340.9        | 1340.9        | 847.4              | 847.4         | 847.4         |
|                           | October   | 1352.3        | 1351.4        | 1350.7        | 853.7              | 853.2         | 852.7         |
| 1977                      | QII       | 1289.9        | 1289.9        | 1289.9        | 820.5              | 820.5         | 820.5         |
|                           | QIII      | 1329.3        | 1329.3        | 1329.3        | 840.5              | 840.5         | 840.5         |
|                           | QIV       | 1365.5        | 1362.7        | 1361.3        | 857.4              | 857.0         | 856.2         |
| 1978                      | QI        | 1393.7        | 1389.0        | 1387.5        | 875.7              | 875.0         | 874.2         |
|                           | QII       | 1415.6        | 1413.8        | 1413.5        | 892.3              | 892.0         | 891.5         |
| <u>Growth Rates</u>       |           |               |               |               |                    |               |               |
| <u>Monthly:</u>           |           |               |               |               |                    |               |               |
| 1977                      | September | 10.6          | 10.6          | 10.6          | 9.0                | 9.0           | 9.0           |
|                           | October   | 10.2          | 9.4           | 8.8           | 8.9                | 8.2           | 7.5           |
| <u>Quarterly Average:</u> |           |               |               |               |                    |               |               |
| 1977                      | QIII      | 12.2          | 12.2          | 12.2          | 9.8                | 9.8           | 9.8           |
|                           | QIV       | 10.9          | 10.1          | 9.6           | 8.0                | 7.9           | 7.5           |
| 1978                      | QI        | 8.3           | 7.7           | 7.7           | 8.5                | 8.4           | 8.4           |
|                           | QII       | 6.3           | 7.1           | 7.5           | 7.6                | 7.8           | 7.9           |
| <u>Semi-annual:</u>       |           |               |               |               |                    |               |               |
| QII '77-QIV '77           |           | 11.7          | 11.3          | 11.1          | 9.0                | 8.9           | 8.7           |
| QIV '77-QII '78           |           | 7.3           | 7.5           | 7.7           | 8.1                | 8.2           | 8.2           |
| <u>Annual:</u>            |           |               |               |               |                    |               |               |
| QII '77-QII '78           |           | 9.7           | 9.6           | 9.6           | 8.8                | 8.7           | 8.7           |
| <u>FOMC Range:</u>        |           |               | 8½-11         |               | 7-10               |               |               |

constraint on reserves would entail further increases in the funds rate. If the funds rate were to begin rising by mid-October, and reached  $7\frac{1}{4}$  per cent by the end of the year, M-1 growth in the fourth quarter may be at around a 6 per cent annual rate. The effects on monetary growth would be more pronounced in the first half of next year, given the lagged relationship between interest rates and money demand. We have assumed that the  $7\frac{1}{4}$  per cent funds rate would lead to the  $2\frac{1}{2}$ -3 per cent annual rate of growth in M-1 during the first half of 1978 that is necessary to meet the mid-point of the FOMC's current longer-run range, but it is quite possible we may be underestimating the strength of money demand, given GNP, and that higher interest rates would be required.

(9) Under alternative B, in the September-October period M-2 is expected to expand in a  $5\frac{1}{2}$ - $9\frac{1}{2}$  per cent annual rate range, assuming that short-term market interest rates show little change from currently prevailing levels in the period between now and the next meeting. Net inflows of time and savings deposits other than negotiable CD's are expected to be relatively low in September, but to pick up to a pace more consonant with existing interest rate relationships later in the fall. Some of the recent weakness in the time deposit component of M-2 appears to have reflected shifts of funds from maturing "wild card" certificates at banks to higher rate certificates at thrift institutions. Indeed, at nonbank thrift institutions deposit inflows expanded sharply over the summer, as these institutions became more aggressive in seeking deposit funds in view of their large mortgage commitments and in light of uncertainties about their own substantial "wild card" maturities.

(10) But with higher short-term interest rates projected by year-end, and in the first half of 1978, it is likely that growth of interest-bearing deposits at banks and thrift institutions will slow. Assuming a 3-month bill rate of around  $7\frac{1}{2}$  in the early part of next year, and no adjustment in Regulation Q ceiling rates, such deposits may increase at about an 8-9 per cent annual rate during the first two quarters of 1978. This rate of inflow is somewhat higher than might be expected on the basis of past experience with similar interest rate relationships; it reflects the continued sizable rate of expansion in nominal income that is projected for next year. Nonetheless, even with savings inflows reasonably well maintained, large demands for mortgage credit, including takedowns of the very high level of outstanding commitments, would tend to exert substantial pressures on the position of thrift institutions. They would be forced to reduce liquidity and increase short-term borrowing. Under such circumstances, an upward adjustment in the Q ceiling rate might have to be considered.

(11) Alternative C involves a more prompt rise in interest rates than alternative B and somewhat slower monetary growth rates over the balance of this year. It contemplates an increase in the Federal funds rate to the mid-point of a  $6\frac{1}{2}$ -7 per cent range between now and the next Committee meeting. With additional monetary restraint in place somewhat sooner, the staff would expect interest rates to rise a little less over the longer-run than under alternative B.

(12) Between now and the next Committee meeting an upward adjustment in the funds rate to around the  $6\text{-}5/8$  per cent mid-point

of the alternative C range would probably be associated with an increase in the 3-month Treasury bill rate to the  $6\frac{1}{2}$ - $6\frac{1}{2}$  per cent area. Other short-term rates would adjust commensurately, member bank borrowing from the discount window may once again rise substantially, and pressures for another upward adjustment of the discount rate would build. Long-term rates would probably rise for a time in response to the advance in short rates, but in the absence of indications of stronger economic activity or of a worsening of inflationary pressures such rate increases are not likely to be sustained.

(13) An easing in the funds rate to the mid-point of a  $5\frac{1}{2}$ -6 per cent range is encompassed under alternative A. The lower interest rates and more rapid near-term growth in the monetary aggregates would require more upward interest rate pressure, and less monetary growth, in early 1978--as compared with alternatives B and C--if growth in the monetary aggregates over the QII '77-QII '78 period is to remain within the FOMC's longer-run ranges. The projected funds rate pattern for alternative A, as well as the other alternatives, is presented in Appendix I.

(14) Given below are alternatives for the operational paragraphs of the directive. The first formulation, like the directive adopted at the last meeting, places main emphasis on near-term rates of growth in monetary aggregates; it shows--in strike-through form--the specifications adopted at the last meeting. The second formulation places main emphasis on money market conditions. As suggested below, the particular language needed in the opening lines of the money market formulation would depend on the specific conditions sought; the three alternatives shown--calling, respectively, for somewhat easier, prevailing, and somewhat firmer money market conditions--are intended to be associated with the specifications discussed in the preceding section under alternatives A, B, and C.

"Monetary Aggregates" Formulation

The Committee seeks to encourage near-term rates of growth in M-1 and M-2 on a path believed to be reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, at present, it expects the annual growth rates over the ~~August-September~~ SEPTEMBER-OCTOBER period to be within the ranges of ~~0-~~to~~-5~~ \_\_\_\_\_ to \_\_\_\_\_ per cent for M-1 and ~~3-~~to~~-8~~ \_\_\_\_\_ to \_\_\_\_\_ per cent for M-2. In the judgment of the Committee such growth rates are likely to be associated with a weekly-average Federal funds rate of about 6 \_\_\_\_\_ per cent. If, giving approximately equal weight to M-1 and M-2, it appears that growth rates over the 2-month period will deviate significantly from the midpoints of the indicated ranges, the operational objective for the Federal

funds rate shall be modified in an orderly fashion within a range of ~~5-3/4 to 6-1/4~~ \_\_\_\_\_ to \_\_\_\_\_ per cent.

If it appears during the period before the next meeting that the operating constraints specified above are proving to be significantly inconsistent, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.

"Money Market" Formulation

At this time, the Committee seeks to maintain about the prevailing money market conditions (or to achieve somewhat easier or somewhat firmer money market conditions) during the period immediately ahead, provided that monetary aggregates appear to be growing at approximately the rates currently expected, which are believed to be on a path reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, the Committee seeks to maintain the weekly-average Federal funds rate at about \_\_\_\_\_ per cent, so long as M-1 and M-2 appear to be growing over the September-October period at annual rates within ranges of \_\_\_\_\_ to \_\_\_\_\_ per cent and \_\_\_\_\_ to \_\_\_\_\_ per cent, respectively. If, giving approximately equal weight to M-1 and M-2, it appears that growth rates over the 2-month period are approaching or moving beyond the limits of the indicated ranges, the operational objective for the weekly-average Federal funds rate shall be modified in an orderly fashion within a range of \_\_\_\_\_ to \_\_\_\_\_ per cent.

If it appears during the period before the next meeting that the operating constraints specified above are proving to be significantly inconsistent, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.

Appendix I

Projected Federal Funds Rate

|      |      | <u>Alt. A</u> | <u>Alt. B</u> | <u>Alt. C</u> |
|------|------|---------------|---------------|---------------|
| 1977 | QIII | 5½            | 5-7/8         | 5-7/8         |
|      | QIV  | 6½            | 6½            | 6-7/8         |
| 1978 | QI   | 7-3/8         | 7½            | 7-1/8         |
|      | QII  | 7-5/8         | 7½            | 7-1/8         |

## Appendix II

### Expansion in Reserves Over the Period From QII 1977 to QIV 1977 Consistent with Proposed Alternatives (seasonally adjusted annual rates)

|                      | <u>Alt. A</u> | <u>Alt. B</u> | <u>Alt. C</u> |
|----------------------|---------------|---------------|---------------|
| Nonborrowed Reserves | 4.6           | -0.1          | -0.8          |
| Total Reserves       | 6.9           | 6.6           | 6.5           |
| Monetary Base        | 8.7           | 8.5           | 8.4           |

The table above shows growth rates for reserve aggregates over the second half of 1977 that are thought to be consistent with the alternatives presented to the Committee. Estimates for the third quarter as a whole indicate that nonborrowed reserves appear to have expanded from the second quarter at a 4.4 per cent annual rate, total reserves at a 9.3 per cent rate, and the monetary base at a 9.6 per cent rate. Thus a considerable slowing in growth of reserves will be needed in the fourth quarter.

Appendix III

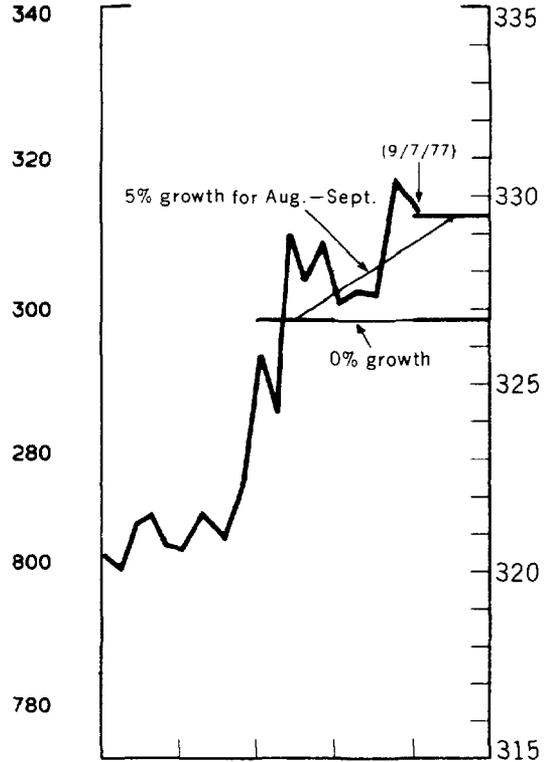
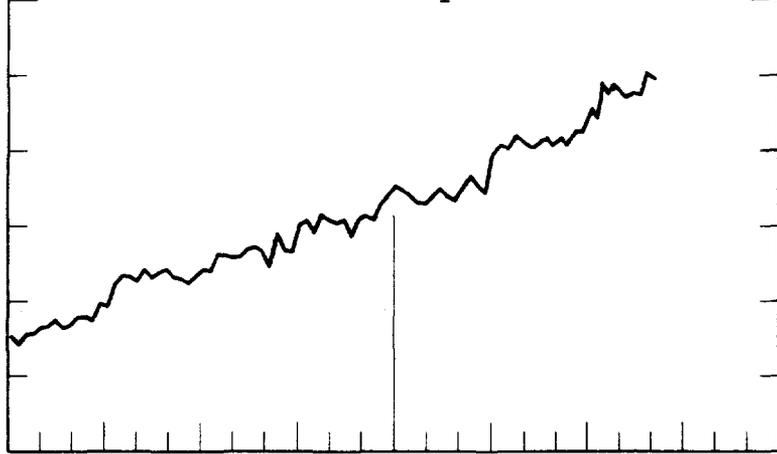
Implied Velocity Growth Rates

| <u>V<sub>1</sub> (GNP/M<sub>1</sub>)</u> |     | <u>Alt. A</u> | <u>Alt. B</u> | <u>Alt. C</u> |
|------------------------------------------|-----|---------------|---------------|---------------|
| 1977                                     | III | 0.7           | 0.7           | 0.7           |
|                                          | IV  | 4.4           | 5.4           | 6.0           |
| 1978                                     | I   | 8.4           | 8.5           | 8.2           |
|                                          | II  | 8.8           | 7.7           | 7.3           |
| <u>V<sub>2</sub> (GNP/M<sub>2</sub>)</u> |     |               |               |               |
| 1977                                     | III | -0.3          | -0.3          | -0.3          |
|                                          | IV  | 3.3           | 4.3           | 4.8           |
| 1978                                     | I   | 4.6           | 4.9           | 4.7           |
|                                          | II  | 5.2           | 4.2           | 3.7           |

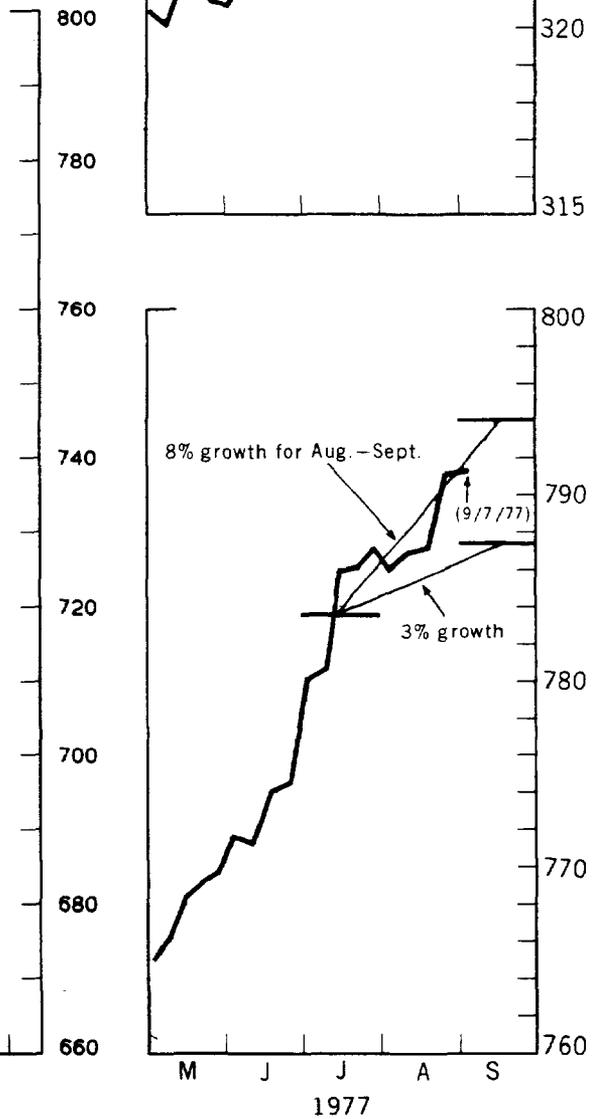
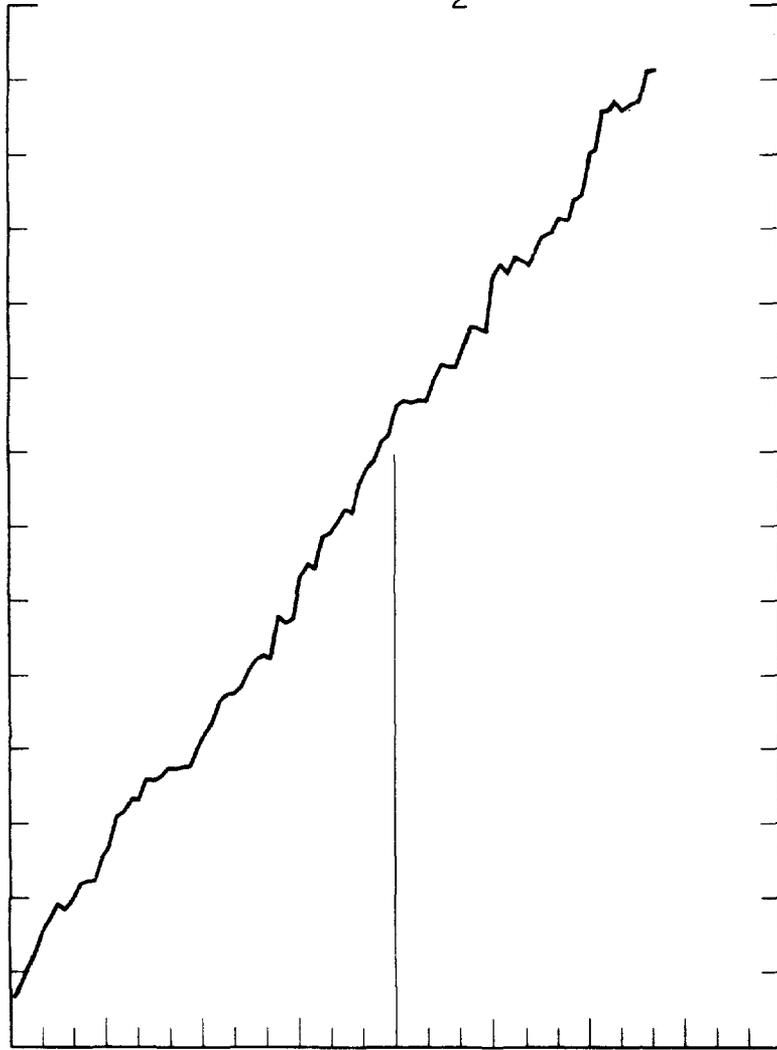
# MONETARY AGGREGATES

NARROW MONEY SUPPLY  $M_1$

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY  $M_2$



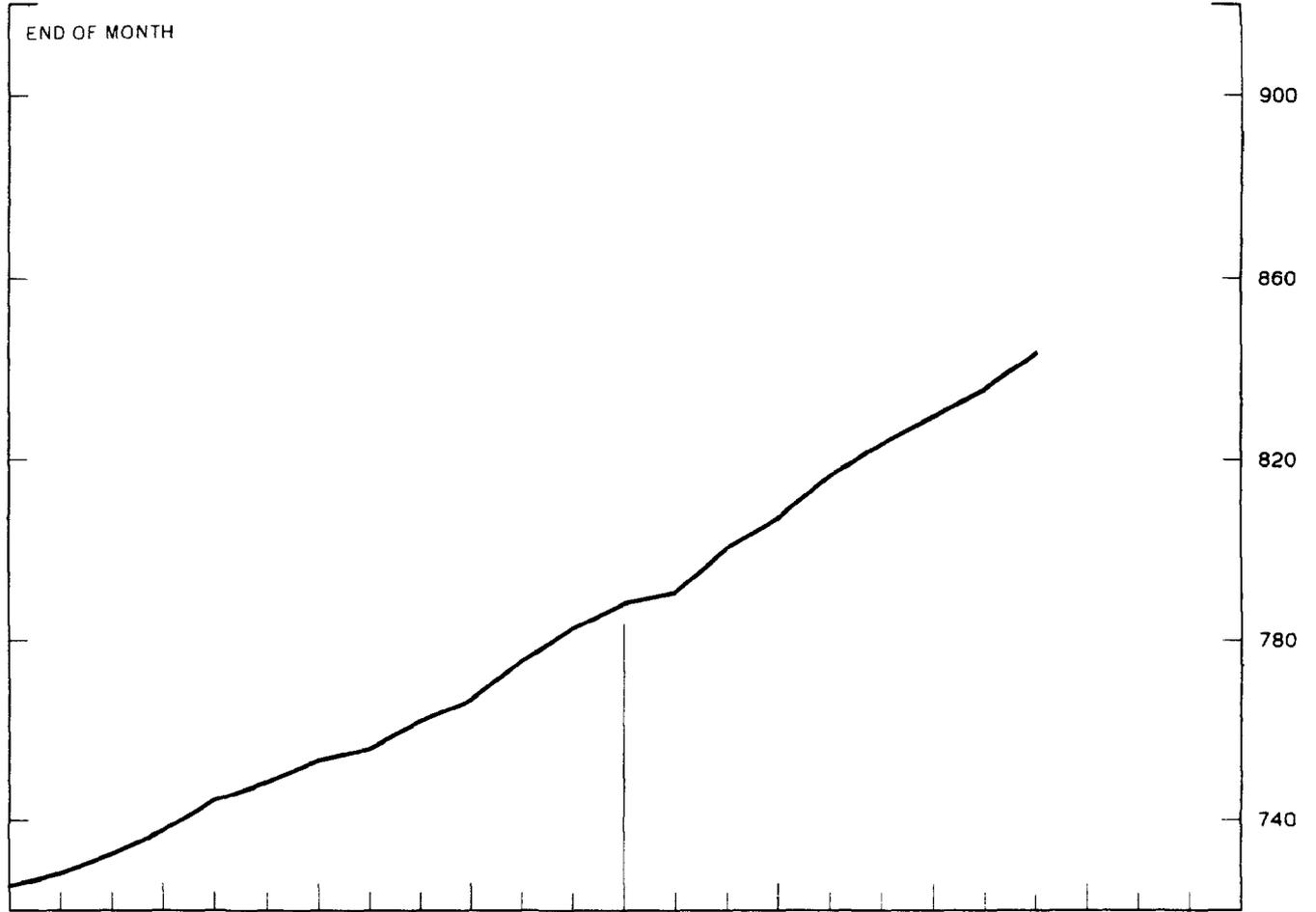
1976

1977

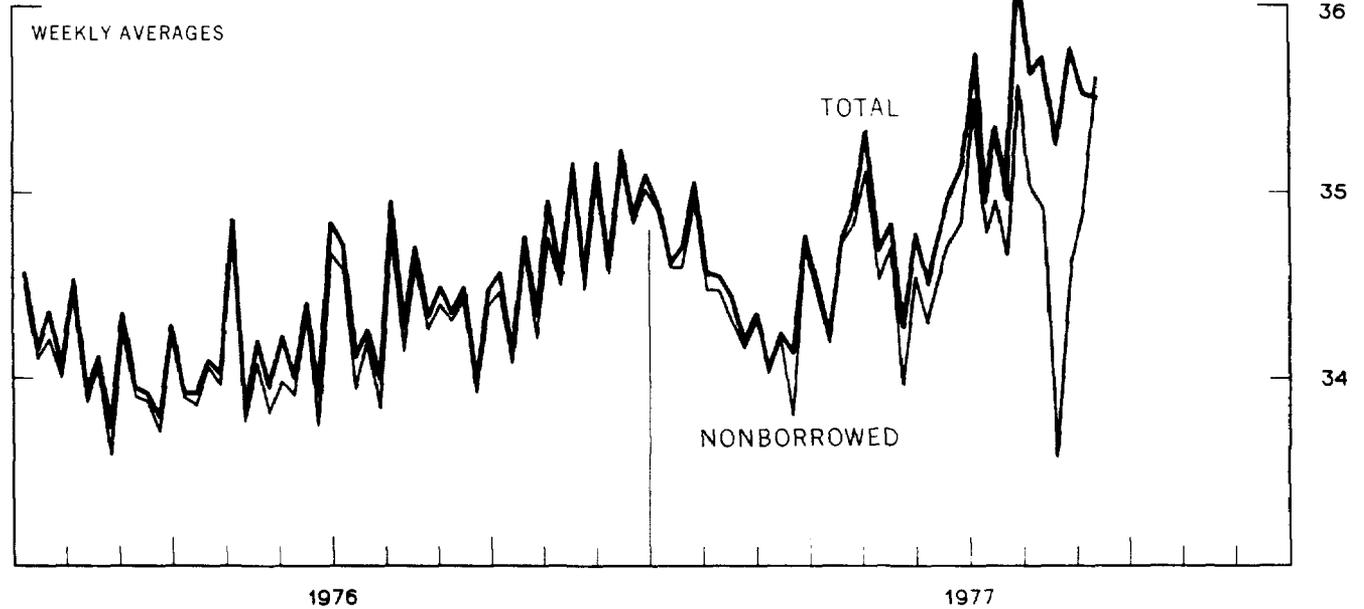
1977

# MONETARY AGGREGATES

## BANK CREDIT

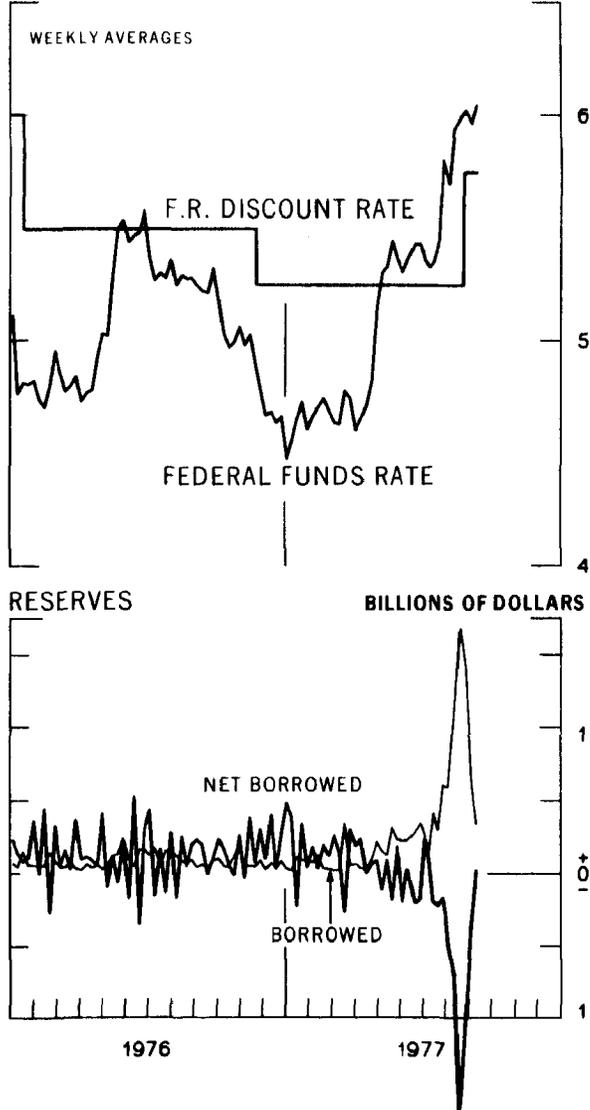


## RESERVES

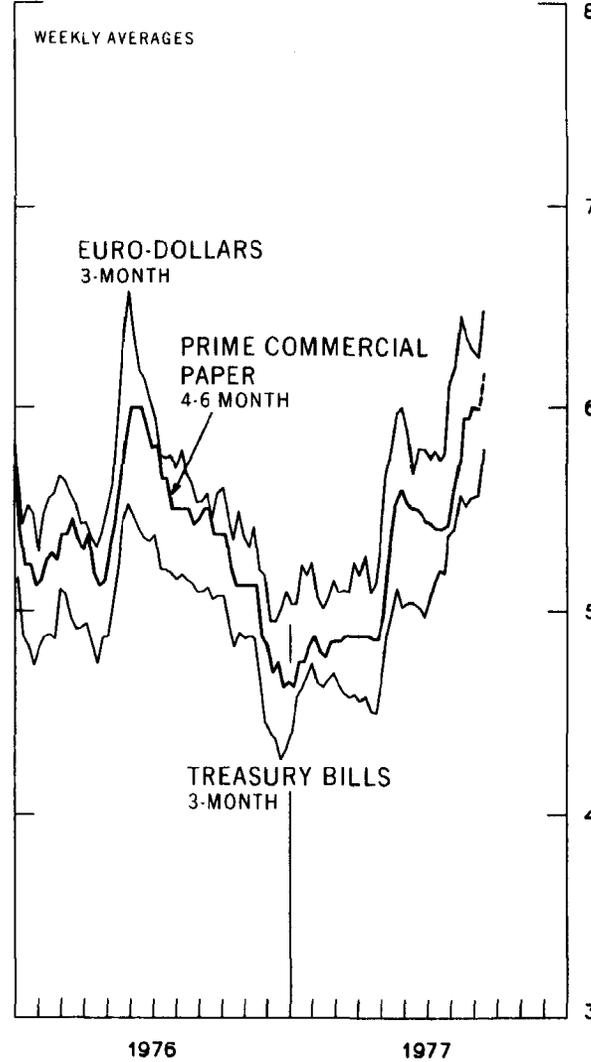


# MONEY MARKET CONDITIONS AND INTEREST RATES

### MONEY MARKET CONDITIONS PER CENT



### INTEREST RATES Short-term PER CENT



### INTEREST RATES Long-term PER CENT

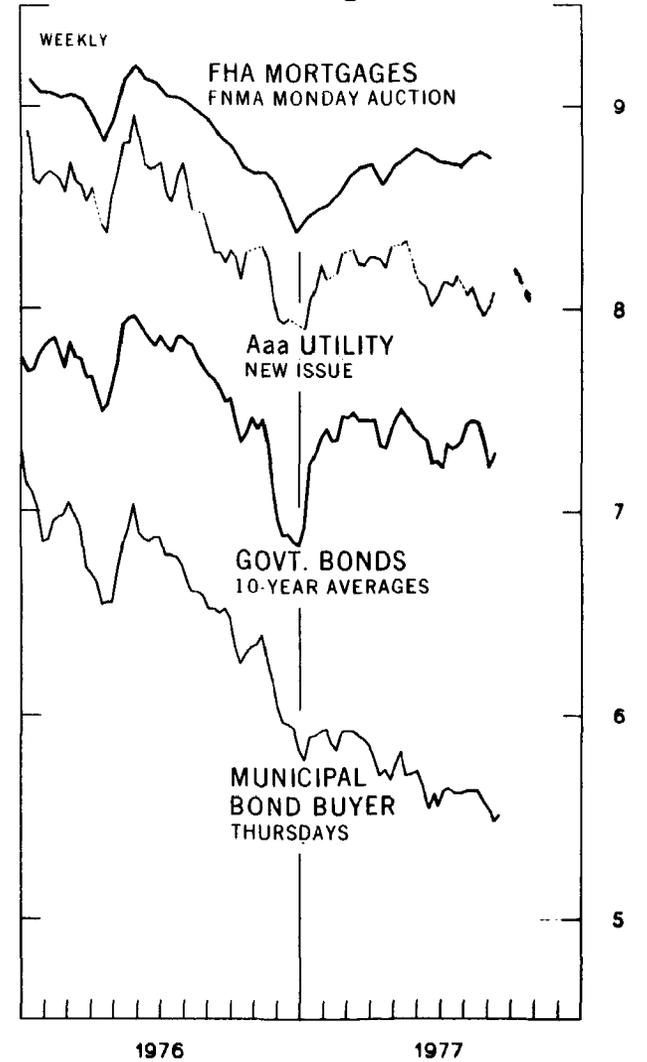


Table 1  
**MONETARY AGGREGATES**

CONFIDENTIAL (FR)  
CLASS II-FOMC  
SEPT. 16, 1977

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

| Period                       | Money Supply   |               | Total<br>U.S. Govt.<br>Deposits 1/ | Time & Savings Deposits |                 |         | CD's    | Nondeposit<br>Sources of<br>Funds 2/ |       |
|------------------------------|----------------|---------------|------------------------------------|-------------------------|-----------------|---------|---------|--------------------------------------|-------|
|                              | Narrow<br>(M1) | Broad<br>(M2) |                                    | Total                   | Other Than CD's |         |         |                                      |       |
|                              |                |               |                                    |                         | Total           | Savings |         |                                      | Other |
|                              | 1              | 2             | 3                                  | 4                       | 5               | 6       | 7       | 8                                    | 9     |
| <b>MONTHLY LEVELS--\$BIL</b> |                |               |                                    |                         |                 |         |         |                                      |       |
| 1977--JUNE                   | 321.9          | 772.8         | 10.1                               | 514.8                   | 450.9           | 212.3   | 238.6   | 63.9                                 | 55.9  |
| JULY                         | 326.8          | 783.5         | 11.8                               | 519.5                   | 456.7           | 213.8   | 242.9   | 62.8                                 | 55.9  |
| AUG.                         | 328.3          | 787.7         | 10.2                               | 522.5                   | 459.4           | 216.2   | 243.1   | 63.2                                 | 58.1  |
| SEPT.                        | (330.1)        | (792.2)       | ( 10.2)                            | (525.2)                 | (462.2)         | (218.2) | (243.9) | ( 63.0)                              |       |
| <b>% ANNUAL GROWTH</b>       |                |               |                                    |                         |                 |         |         |                                      |       |
| <b>QUARTERLY</b>             |                |               |                                    |                         |                 |         |         |                                      |       |
| 1977--1ST QTR.               | 3.8            | 8.5           | 0.0                                | 9.5                     | 11.9            | 15.4    | 8.7     | -7.0                                 |       |
| 2ND QTR.                     | 8.2            | 8.8           | -39.3                              | 9.5                     | 9.4             | 4.0     | 14.2    | 10.9                                 |       |
| 3RD QTR.                     | ( 10.2)        | ( 10.0)       | ( 4.0)                             | ( 8.1)                  | ( 10.0)         | ( 11.1) | ( 8.9)  | ( -5.6)                              |       |
| <b>QUARTERLY-AV</b>          |                |               |                                    |                         |                 |         |         |                                      |       |
| 1977--1ST QTR.               | 4.2            | 9.9           | -48.0                              | 12.5                    | 14.0            | 21.9    | 7.1     | 1.9                                  |       |
| 2ND QTR.                     | 8.4            | 9.2           | -18.2                              | 8.3                     | 9.8             | 7.9     | 11.6    | -1.9                                 |       |
| 3RD QTR.                     | ( 9.2)         | ( 10.2)       | ( 7.6)                             | ( 9.8)                  | ( 10.8)         | ( 7.2)  | ( 14.1) | ( 2.6)                               |       |
| <b>MONTHLY</b>               |                |               |                                    |                         |                 |         |         |                                      |       |
| 1977--JUNE                   | 4.5            | 8.1           | -56.6                              | 13.2                    | 10.7            | -2.3    | 22.5    | 30.8                                 |       |
| JULY                         | 18.3           | 16.6          | 202.0                              | 11.0                    | 15.4            | 8.5     | 21.6    | -20.7                                |       |
| AUG.                         | 5.5            | 6.4           | -162.7                             | 6.9                     | 7.1             | 13.5    | 1.0     | 7.6                                  |       |
| SEPT.                        | ( 6.6)         | ( 6.9)        | ( 0.0)                             | ( 6.2)                  | ( 7.3)          | ( 11.1) | ( 3.9)  | ( -3.8)                              |       |
| AUG.-SEPT.                   | ( 6.1)         | ( 6.7)        | ( -81.4)                           | ( 6.6)                  | ( 7.2)          | ( 12.3) | ( 2.5)  | ( 1.9)                               |       |
| <b>WEEKLY LEVELS--\$BIL</b>  |                |               |                                    |                         |                 |         |         |                                      |       |
| 1977-AUG. 3                  | 328.7          | 787.0         | 12.6                               | 521.1                   | 458.3           | 215.2   | 243.1   | 62.9                                 | 54.4  |
| 10                           | 327.2          | 786.0         | 10.2                               | 522.0                   | 458.8           | 215.7   | 243.0   | 63.3                                 | 59.4  |
| 17                           | 327.5          | 786.8         | 10.5                               | 522.6                   | 459.3           | 216.2   | 243.0   | 63.3                                 | 59.0  |
| 24                           | 327.4          | 787.2         | 10.7                               | 523.0                   | 459.9           | 216.6   | 243.3   | 63.1                                 | 57.4  |
| 31                           | 330.4          | 791.1         | 8.5                                | 523.8                   | 460.7           | 216.9   | 243.9   | 63.1                                 | 58.4  |
| SEPT. 7                      | 329.6          | 791.3         | 7.3                                | 524.6                   | 461.7           | 217.6   | 244.2   | 62.8                                 |       |

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

TABLE 2  
**BANK RESERVES**  
ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

SEPT. 16, 1977

| 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                    |
| <b>MONTHLY LEVELS--\$MILLIONS</b> |                |                      |               |                   |                |                     |                      |
| 1977--JUNE                        | 34,862         | 34,599               | 122,027       | 34,714            | 20,601         | 12,306              | 1,808                |
| JULY                              | 35,352         | 35,029               | 123,468       | 35,077            | 20,998         | 12,384              | 1,695                |
| AUG.                              | 35,644         | 34,583               | 124,301       | 35,440            | 21,218         | 12,389              | 1,833                |
| SEPT.                             | (35,683)       | (35,256)             | (125,123)     | (35,385)          | (21,267)       | (12,399)            | (1,719)              |
| <b>PERCENT ANNUAL GROWTH</b>      |                |                      |               |                   |                |                     |                      |
| <b>QUARTERLY</b>                  |                |                      |               |                   |                |                     |                      |
| 1977--1ST QTR.                    | -1.8           | -2.4                 | 5.1           | -1.1              | 3.7            | 6.9                 |                      |
| 2ND QTR.                          | 6.5            | 4.6                  | 8.2           | 7.3               | 3.9            | 6.0                 |                      |
| 3RD QTR.                          | ( 9.4)         | ( 7.6)               | ( 10.1)       | ( 7.7)            | ( 12.9)        | ( 3.0)              |                      |
| <b>QUARTERLY-AV</b>               |                |                      |               |                   |                |                     |                      |
| 1977--1ST QTR.                    | 2.7            | 2.6                  | 6.8           | 3.0               | 5.0            | 9.5                 |                      |
| 2ND QTR.                          | 3.0            | 1.9                  | 7.2           | 3.5               | 3.0            | 4.0                 |                      |
| 3RD QTR.                          | ( 9.3)         | ( 4.4)               | ( 9.6)        | ( 8.4)            | ( 10.1)        | ( 6.4)              |                      |
| <b>MONTHLY</b>                    |                |                      |               |                   |                |                     |                      |
| 1977--JUNE                        | 4.8            | 2.9                  | 6.4           | 6.9               | -6.1           | 18.8                |                      |
| JULY                              | 16.9           | 14.9                 | 14.2          | 12.5              | 23.1           | 7.6                 |                      |
| AUG.                              | 9.9            | -15.3                | 8.1           | 12.4              | 12.6           | 0.5                 |                      |
| SEPT.                             | ( 1.3)         | ( 23.4)              | ( 7.9)        | ( -1.9)           | ( 2.8)         | ( 1.0)              |                      |
| AUG.-SEPT.                        | ( 5.6)         | ( 3.9)               | ( 8.0)        | ( 5.3)            | ( 7.7)         | ( 0.7)              |                      |
| <b>WEEKLY LEVELS--\$MILLIONS</b>  |                |                      |               |                   |                |                     |                      |
| 1977-AUG. 3                       | 36,156         | 35,558               | 124,675       | 35,732            | 21,450         | 12,337              | 1,946                |
| 10                                | 35,635         | 35,050               | 123,931       | 35,532            | 21,147         | 12,366              | 2,019                |
| 17                                | 35,705         | 34,907               | 124,226       | 35,503            | 21,307         | 12,390              | 1,806                |
| 24                                | 35,258         | 33,593               | 124,044       | 35,230            | 21,124         | 12,411              | 1,694                |
| 31                                | 35,756         | 34,364               | 124,845       | 35,369            | 21,195         | 12,410              | 1,764                |
| SEPT. 7                           | 35,525         | 34,886               | 124,613       | 35,267            | 21,025         | 12,396              | 1,846                |
| 14                                | 35,951         | 35,615               | 125,216       | 35,561            | 21,463         | 12,413              | 1,685                |

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

TABLE 3  
NET CHANGES IN SYSTEM HOLDINGS OF SECURITIES<sup>1/</sup>  
(\$ million, not seasonally adjusted)

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC  
SEPTEMBER 16, 1977

| Period                           | Treasury Bills<br>Net Change 2/ | Treasury Coupons<br>Net Purchases 3/ |       |        |            |       | Federal Agencies<br>Net Purchases 4/ |       |        |            |       | Net Change<br>Outright<br>Holdings<br>Total 5/ | Net<br>RP's<br>6/ |
|----------------------------------|---------------------------------|--------------------------------------|-------|--------|------------|-------|--------------------------------------|-------|--------|------------|-------|------------------------------------------------|-------------------|
|                                  |                                 | Within<br>1 year                     | 1 - 5 | 5 - 10 | Over<br>10 | Total | Within<br>1 year                     | 1 - 5 | 5 - 10 | Over<br>10 | Total |                                                |                   |
| 1972                             | -490                            | 87                                   | 789   | 539    | 167        | 1,582 | 46                                   | 592   | 253    | 168        | 1,059 | 1,631                                          | -1,358            |
| 1973                             | 7,232                           | 207                                  | 579   | 500    | 129        | 1,415 | 120                                  | 400   | 244    | 101        | 864   | 9,273                                          | -46               |
| 1974                             | 1,280                           | 320                                  | 797   | 434    | 196        | 1,747 | 439                                  | 1,665 | 659    | 318        | 3,082 | 6,303                                          | -154              |
| 1975                             | -468                            | 337                                  | 3,284 | 1,510  | 1,070      | 6,202 | 191                                  | 824   | 460    | 138        | 1,613 | 7,267                                          | 1,272             |
| 1976                             | 863                             | 472                                  | 3,025 | 1,048  | 642        | 5,187 | 105                                  | 469   | 203    | 114        | 891   | 6,227                                          | 3,607             |
| 1976--Qtr. II                    | 2,067                           | 109                                  | 796   | 245    | 134        | 1,284 | 3                                    | 140   | 57     | 40         | 240   | 3,371                                          | 1,654             |
| Qtr. III                         | 45                              | 171                                  | 881   | 345    | 160        | 1,557 | --                                   | --    | --     | --         | --    | 1,398                                          | 392               |
| Qtr. IV                          | -886                            | 77                                   | 794   | 232    | 192        | 1,294 | --                                   | 41    | 37     | 36         | 115   | 436                                            | 304               |
| 1977--Qtr. I                     | 1,164                           | 192                                  | 997   | 325    | 165        | 1,680 | --                                   | --    | --     | --         | --    | 2,738                                          | -4,771            |
| Qtr. II                          | 2,126                           | 109                                  | 526   | 171    | 152        | 959   | --                                   | 406   | 251    | 68         | 726   | 3,666                                          | 4,175             |
| 1977--Mar.                       | -368                            | 41                                   | 174   | 46     | 37         | 298   | --                                   | --    | --     | --         | --    | -125                                           | 175               |
| Apr.                             | 1,392                           | 20                                   | 327   | 104    | 38         | 489   | --                                   | 173   | 138    | 35         | 346   | 2,176                                          | 2,822             |
| May                              | -208                            | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -254                                           | -3,207            |
| June                             | 942                             | 89                                   | 200   | 68     | 114        | 470   | --                                   | 233   | 113    | 33         | 380   | 1,744                                          | 4,561             |
| July                             | -1,136                          | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -1,159                                         | -2,861            |
| Aug.                             | 636                             | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | 552                                            | -1,353            |
| 1977--July 6                     | -145                            | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -159                                           | -5,780            |
| 13                               | -581                            | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -590                                           | 585               |
| 20                               | -328                            | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -335                                           | 2,706             |
| 27                               | -82                             | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -88                                            | -144              |
| Aug. 3                           | --                              | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -14                                            | -2,009            |
| 10                               | -176                            | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -184                                           | -4,604            |
| 17                               | 450                             | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | 448                                            | 3,347             |
| 24                               | --                              | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -1                                             | -1,028            |
| 31                               | 362                             | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | 303                                            | 3,521             |
| Sept. 7                          | -603                            | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | -603                                           | -6,625            |
| 14                               | 296                             | --                                   | --    | --     | --         | --    | --                                   | --    | --     | --         | --    | 271                                            | 4,519             |
| 21                               |                                 |                                      |       |        |            |       |                                      |       |        |            |       |                                                |                   |
| 28                               |                                 |                                      |       |        |            |       |                                      |       |        |            |       |                                                |                   |
| LEVEL--Sept. 14<br>(in billions) | 41.1                            | 12.5                                 | 27.7  | 10.5   | 6.6        | 57.3  | 1.3                                  | 3.7   | 1.6    | .8         | 7.3   | 105.7                                          | -2.1              |

1/ Change from end-of-period to end-of-period.

2/ Outright transactions in market and with foreign accounts, and redemptions (-) in bill auctions.

3/ Outright transactions in market and with foreign accounts, and short-term notes acquired in exchange for maturing bills. Excludes redemptions, maturity shifts, rollovers of maturing coupon issues, and direct Treasury borrowing from the System.

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

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

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

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

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC  
SEPTEMBER 16, 1977

|              | U.S. Govt. Security Dealer Positions |               | Underwriting Syndicate Positions |                 | Excess** Reserves | Member Bank Reserve Positions |          |                         |           |
|--------------|--------------------------------------|---------------|----------------------------------|-----------------|-------------------|-------------------------------|----------|-------------------------|-----------|
|              | Bills                                | Coupon Issues | Corporate Bonds                  | Municipal Bonds |                   | Borrowing at FRB**            |          | Basic Reserve Deficit** |           |
|              |                                      |               |                                  |                 |                   | Total                         | Seasonal | 8 New York              | 38 Others |
| 1976--High   | 8,896                                | 3,046         | 334                              | 343             | 655               | 242                           | 34       | -8,161                  | -12,744   |
| Low          | 3,668                                | 175           | 0                                | 34              | -180              | 24                            | 8        | -2,367                  | - 6,908   |
| 1977--High   | 7,234                                | 3,017         | 278                              | 350             | 513               | 1,665p                        | 74p      | -8,742                  | -13,975   |
| Low          | 1,729                                | *-1,445       | 0                                | 125             | -111              | 20                            | 8        | -4,234                  | - 8,570   |
| 1976--Aug.   | 6,174                                | 1,686         | 85                               | 116             | 207               | 100                           | 31       | -4,624                  | - 9,691   |
| Sept.        | 7,838                                | 1,509         | 95                               | 172             | 205               | 63                            | 31       | -5,703                  | - 9,716   |
| Oct.         | 6,271                                | 1,832         | 94                               | 258             | 221               | 94                            | 32       | -6,428                  | -10,527   |
| Nov.         | 6,876                                | 2,418         | 79                               | 217             | 257               | 72                            | 22       | -6,289                  | -11,618   |
| Dec.         | 8,005                                | 2,443         | 145                              | 167             | 274               | 53                            | 13       | -7,168                  | -11,449   |
| 1977--Jan.   | 6,406                                | 2,320         | 82                               | 202             | 265               | 68                            | 10       | -6,421                  | -11,504   |
| Feb.         | 4,450                                | 1,650         | 72                               | 226             | 198               | 72                            | 12       | -5,604                  | -11,503   |
| Mar.         | 4,906                                | 972           | 103                              | 162             | 214               | 103                           | 13       | -5,661                  | -10,912   |
| Apr.         | 4,567                                | 696           | 101                              | 173             | 192               | 73                            | 14       | -6,586                  | -11,409   |
| May          | 3,072                                | 123           | 20                               | 228             | 213               | 206                           | 30       | -5,693                  | -10,175   |
| June         | 4,752                                | 206           | 142                              | 217             | 154               | 262                           | 54       | -5,341                  | -10,332   |
| July         | 3,916                                | -278          | 143                              | 209             | 275               | 323                           | 60       | -6,391                  | -11,012   |
| Aug.         | *2,542                               | *679          | 71                               | 199             | 204p              | 1,084p                        | 102p     | -5,583p                 | -11,425p  |
| 1977--July 6 | 4,617                                | 800           | 192                              | 230             | 494               | 265                           | 58       | -5,889                  | - 8,839   |
| 13           | 4,437                                | 80            | 165                              | 191             | 264               | 160                           | 52       | -7,632                  | -12,534   |
| 20           | 3,927                                | -640          | 148                              | 145             | 212               | 406                           | 56       | -6,075                  | -12,608   |
| 27           | 3,777                                | -634          | 67                               | 269             | 74                | 295                           | 69       | -5,735                  | -10,453   |
| Aug. 3       | 2,176                                | 1,265         | 76                               | 229             | 424               | 598                           | 69       | -6,675                  | - 9,792   |
| 10           | 1,910                                | -494          | 78                               | 202             | 103               | 585                           | 74       | -6,458                  | -11,765   |
| 17           | 2,171                                | -1,445        | 52                               | 204             | 202               | 901                           | 99       | -5,534                  | -12,313   |
| 24           | *3,338                               | *-1,231       | 76                               | 161             | 28                | 1,665                         | 116      | -4,969                  | -12,161   |
| 31           | *2,906                               | *-379         | 69                               | 182             | 387p              | 1,392p                        | 131p     | -4,903p                 | -10,161p  |
| Sept. 7      | *4,562                               | *263r         | 96                               | 183             | 258p              | 637p                          | 114p     | -7,338p                 | -11,846p  |
| 14           | *5,080                               | *-268         | 150p                             | 200p            | 367               | 337p                          | 108p     | -7,872p                 | -13,150p  |
| 21           |                                      |               |                                  |                 |                   |                               |          |                         |           |
| 28           |                                      |               |                                  |                 |                   |                               |          |                         |           |

NOTE: Government security dealer trading positions are on a commitment basis. Trading positions, which exclude Treasury securities financing 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.

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TABLE 5  
SELECTED INTEREST RATES  
(per cent)

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC  
SEPTEMBER 16, 1977

|                | Short-term    |                |                  |                    |        |                                     | Long-term |       |                   |           |                  |                |               |           |                  |
|----------------|---------------|----------------|------------------|--------------------|--------|-------------------------------------|-----------|-------|-------------------|-----------|------------------|----------------|---------------|-----------|------------------|
|                | Federal Funds | Treasury Bills | Commercial Paper | CD's New Issue-NYC |        | U.S. Govt.-Constant Maturity Yields |           |       | Corp.-Aaa Utility |           | Municipal        | Home Mortgages |               |           |                  |
|                |               | 90-Day         | 1-Year           | 90-119 Day         | 60-Day | 90-Day                              | 3-yr      | 7-yr  | 20-yr             | New Issue | Recently Offered | Bond Buyer     | Primary Conv. | FNMA Auc. | Secondary Market |
| (1)            | (2)           | (3)            | (4)              | (5)                | (6)    | (7)                                 | (8)       | (9)   | (10)              | (11)      | (12)             | (13)           | (14)          | (15)      |                  |
| 1976--High     | 5.58          | 5.53           | 6.32             | 5.90               | 5.63   | 5.75                                | 7.52      | 7.89  | 8.17              | 8.95      | 8.94             | 7.13           | 9.10          | 9.20      | 8.45             |
| Low            | 4.63          | 4.27           | 4.62             | 4.63               | 4.40   | 4.50                                | 5.65      | 6.33  | 7.23              | 7.93      | 7.84             | 5.83           | 8.70          | 8.39      | 7.57             |
| 1977--High     | 6.05          | 5.80           | 6.14             | 6.01               | 5.91   | 6.00                                | 6.85      | 7.31  | 7.78              | 8.34      | 8.33             | 5.93           | 8.95          | 8.79      | 8.08             |
| Low            | 4.47          | 4.41           | 4.67             | 4.63               | 4.48   | 4.63                                | 5.83      | 6.59  | 7.26              | 7.90      | 7.95             | 5.55           | 8.65          | 8.46      | 7.56             |
| 1976--Aug.     | 5.29          | 5.14           | 5.64             | 5.35               | 5.23   | 5.31                                | 6.86      | 7.58  | 7.91              | 8.52      | 8.50             | 6.61           | 9.00          | 8.99      | 8.30             |
| Sept.          | 5.25          | 5.08           | 5.50             | 5.33               | 5.11   | 5.24                                | 6.66      | 7.41  | 7.78              | 8.29      | 8.33             | 6.51           | 8.98          | 8.88      | 8.10             |
| Oct.           | 5.03          | 4.92           | 5.19             | 5.10               | 4.90   | 5.04                                | 6.24      | 7.16  | 7.70              | 8.25      | 8.24             | 6.30           | 8.93          | 8.75      | 7.98             |
| Nov.           | 4.95          | 4.75           | 5.00             | 4.98               | 4.84   | 4.94                                | 6.09      | 6.86  | 7.64              | 8.17      | 8.18             | 6.29           | 8.81          | 8.66      | 7.93             |
| Dec.           | 4.65          | 4.35           | 4.64             | 4.66               | 4.68   | 4.50                                | 5.68      | 6.37  | 7.30              | 7.94      | 7.93             | 5.94           | 8.79          | 8.45      | 7.59             |
| 1977--Jan.     | 4.61          | 4.62           | 5.00             | 4.72               | 4.61   | 4.68                                | 6.22      | 6.92  | 7.48              | 8.08      | 8.09             | 5.87           | 8.72          | 8.48      | 7.83             |
| Feb.           | 4.68          | 4.67           | 5.16             | 4.76               | 4.58   | 4.70                                | 6.44      | 7.16  | 7.64              | 8.22      | 8.19             | 5.89           | 8.67          | 8.55      | 7.98             |
| Mar.           | 4.69          | 4.60           | 5.19             | 4.75               | 4.58   | 4.72                                | 6.47      | 7.20  | 7.73              | 8.25      | 8.29             | 5.89           | 8.69          | 8.68      | 8.06             |
| Apr.           | 4.73          | 4.54           | 5.10             | 4.75               | 4.57   | 4.67                                | 6.32      | 7.11  | 7.67              | 8.26      | 8.22             | 5.73           | 8.75          | 8.67      | 7.96             |
| May            | 5.35          | 4.96           | 5.43             | 5.26               | 5.04   | 5.16                                | 6.55      | 7.26  | 7.74              | 8.33      | 8.31             | 5.75           | 8.83          | 8.74      | 8.04             |
| June           | 5.39          | 5.02           | 5.41             | 5.42               | 5.24   | 5.35                                | 6.39      | 7.05  | 7.64              | 8.08      | 8.12             | 5.62           | 8.86          | 8.75      | 7.95             |
| July           | 5.42          | 5.19           | 5.57             | 5.38               | 5.16   | 5.28                                | 6.51      | 7.12  | 7.60              | 8.14      | 8.12             | 5.63           | 8.95          | 8.72      | 7.96             |
| Aug.           | 5.90          | 5.49           | 5.97             | 5.75               | 5.65   | 5.78                                | 6.79      | 7.24  | 7.64              | 8.04      | 8.05             | 5.62           | 8.94          | 8.76      | 8.03             |
| 1977--July 6   | 5.35          | 5.06           | 5.43             | 5.38               | 5.13   | 5.25                                | 6.40      | 7.08  | 7.58              | 8.14      | 8.12             | 5.63           | 8.93          | --        | 7.97             |
| 13             | 5.33          | 5.14           | 5.48             | 5.38               | 5.13   | 5.25                                | 6.47      | 7.09  | 7.60              | 8.14      | 8.12             | 5.64           | 8.95          | 8.72      | 7.97             |
| 20             | 5.35          | 5.20           | 5.56             | 5.38               | 5.20   | 5.31                                | 6.55      | 7.12  | 7.62              | 8.12      | 8.14             | 5.62           | 8.95          | --        | 7.95             |
| 27             | 5.45          | 5.19           | 5.62             | 5.38               | 5.20   | 5.31                                | 6.61      | 7.18  | 7.61              | 8.17      | 8.14             | 5.62           | 8.93          | 8.71      | 7.93             |
| Aug. 3         | 5.80          | 5.37           | 5.82             | 5.49               | 5.50   | 5.65                                | 6.74      | 7.27  | 7.66              | --        | 8.10             | 5.63           | 8.95          | --        | 8.04             |
| 10             | 5.70          | 5.40           | 5.88             | 5.60               | 5.50   | 5.65                                | 6.81      | 7.30  | 7.69              | 8.07      | 8.05             | 5.63           | 8.95          | 8.75      | 8.04             |
| 17             | 5.94          | 5.57           | 6.05             | 5.80               | 5.76   | 5.90                                | 6.85      | 7.29  | 7.68              | 8.11      | 8.04             | 5.63           | 8.93          | --        | 8.08             |
| 24             | 5.99          | 5.52           | 6.04             | 5.89               | 5.75   | 5.86                                | 6.78      | 7.18  | 7.58              | 8.01      | 8.03             | 5.58           | 8.93          | 8.77      | 8.04             |
| 31             | 6.02          | 5.56           | 5.99             | 5.88               | 5.72   | 5.85                                | 6.72      | 7.11  | 7.52              | 7.97      | 8.02             | 5.54           | 8.88          | --        | 7.97             |
| Sept. 7        | 5.97          | 5.57           | 5.98             | 5.88               | 5.70   | 5.75                                | 6.75      | 7.15  | 7.52              | 8.02      | 8.03             | 5.48           | 8.90          | 8.74      | 7.96             |
| 14             | 6.05          | 5.80           | 6.14             | 6.01               | 5.91   | 6.00                                | 6.84p     | 7.23p | 7.57p             | 8.09p     | 8.07p            | 5.51           | n.a.          | --        | 8.07             |
| 21             |               |                |                  |                    |        |                                     |           |       |                   |           |                  |                |               |           |                  |
| 28             |               |                |                  |                    |        |                                     |           |       |                   |           |                  |                |               |           |                  |
| Daily--Sept. 8 | 6.01          | 5.61           | 6.00             | 5.90               | --     | --                                  | 6.72      | 7.14  | 7.51              | --        | --               | --             | --            | --        | --               |
| 15             | 6.13p         | 5.87           | 6.13             | 6.20               | --     | --                                  | 6.80p     | 7.21p | 7.56p             | --        | --               | --             | --            | --        | --               |

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 through 10, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 11 and 12 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 13 is an average of contract interest rates on commitments for conventional first mortgages with 80 per cent loan-to-value ratios made by a sample of insured savings and loan associations on the Friday following the end of the statement week. Column 14 gives FNMA auction data for Monday preceding the end of the statement week. Column 15 is a 1-day quote for 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**

| Period                       | Bank Reserves <sup>1/</sup>       |              |               | Bank Credit                 | Money Stock Measures |                |                |                |                |                |                |
|------------------------------|-----------------------------------|--------------|---------------|-----------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                              | Total                             | Non-borrowed | Monetary Base | Total Loans and Investments | M <sub>1</sub>       | M <sub>2</sub> | M <sub>3</sub> | M <sub>4</sub> | M <sub>5</sub> | M <sub>6</sub> | M <sub>7</sub> |
|                              | 1                                 | 2            | 3             | 4                           | 5                    | 6              | 7              | 8              | 9              | 10             | 11             |
| ANNUALLY: <sup>2/</sup>      | (PER CENT ANNUAL RATES OF GROWTH) |              |               |                             |                      |                |                |                |                |                |                |
| -----                        |                                   |              |               |                             |                      |                |                |                |                |                |                |
| 1974                         | 7.0                               | 7.7          | 9.1           | 10.1                        | 5.1                  | 7.7            | 7.1            | 10.6           | 9.0            | 8.9            | 9.5            |
| 1975                         | -0.2                              | 3.2          | 5.9           | 3.9                         | 4.4                  | 8.3            | 11.1           | 6.5            | 9.7            | 10.5           | 10.1           |
| 1976                         | 1.0                               | 1.2          | 6.9           | 8.0                         | 5.6                  | 10.9           | 12.8           | 7.1            | 10.3           | 10.0           | 10.2           |
| SEMI-ANNUALLY: <sup>2/</sup> |                                   |              |               |                             |                      |                |                |                |                |                |                |
| -----                        |                                   |              |               |                             |                      |                |                |                |                |                |                |
| 1ST HALF 1976                | -1.5                              | -1.3         | 6.9           | 6.7                         | 5.6                  | 10.3           | 11.8           | 6.0            | 8.9            | 9.2            | 9.6            |
| 2ND HALF 1976                | 3.6                               | 3.7          | 6.8           | 8.9                         | 5.5                  | 10.9           | 13.1           | 8.0            | 11.1           | 10.3           | 10.4           |
| 1ST HALF 1977                | 2.9                               | 2.3          | 7.0           | 10.5                        | 6.4                  | 9.7            | 10.8           | 9.0            | 10.3           | 10.2           | 10.4           |
| QUARTERLY:                   |                                   |              |               |                             |                      |                |                |                |                |                |                |
| -----                        |                                   |              |               |                             |                      |                |                |                |                |                |                |
| 3RD QTR. 1976                | 0.6                               | 1.3          | 6.1           | 7.2                         | 4.9                  | 10.4           | 12.9           | 5.7            | 9.9            | 9.3            | 9.5            |
| 4TH QTR. 1976                | 7.6                               | 7.7          | 8.0           | 11.2                        | 7.2                  | 13.4           | 14.5           | 12.4           | 13.8           | 11.9           | 11.6           |
| 1ST QTR. 1977                | -1.8                              | -2.4         | 5.1           | 9.5                         | 3.8                  | 8.5            | 10.0           | 7.3            | 9.2            | 10.1           | 10.5           |
| 2ND QTR. 1977                | 6.5                               | 4.6          | 8.2           | 11.2                        | 8.2                  | 8.8            | 9.9            | 9.1            | 10.0           | 9.7            | 9.9            |
| QUARTERLY-AV:                |                                   |              |               |                             |                      |                |                |                |                |                |                |
| -----                        |                                   |              |               |                             |                      |                |                |                |                |                |                |
| 3RD QTR. 1976                | 2.7                               | 2.6          | 6.3           | 6.9                         | 4.4                  | 9.1            | 11.4           | 6.0            | 9.3            | 9.2            | 9.6            |
| 4TH QTR. 1976                | 4.4                               | 4.8          | 7.1           | 10.8                        | 6.5                  | 12.5           | 14.4           | 9.8            | 12.7           | 11.1           | 11.0           |
| 1ST QTR. 1977                | 2.7                               | 2.6          | 6.8           | 8.8                         | 4.2                  | 9.9            | 11.3           | 9.3            | 10.9           | 10.7           | 10.8           |
| 2ND QTR. 1977                | 3.0                               | 1.9          | 7.2           | 11.9                        | 8.4                  | 9.2            | 10.0           | 8.5            | 9.4            | 9.5            | 9.8            |
| MONTHLY:                     |                                   |              |               |                             |                      |                |                |                |                |                |                |
| -----                        |                                   |              |               |                             |                      |                |                |                |                |                |                |
| 1976--AUG.                   | 5.9                               | 7.0          | 6.6           | 9.7                         | 5.9                  | 8.8            | 12.3           | 2.0            | 7.9            | 7.6            | 7.7            |
| SEPT.                        | -6.2                              | -4.8         | 5.1           | 7.6                         | 1.6                  | 10.0           | 13.3           | 6.2            | 10.8           | 8.6            | 8.7            |
| OCT.                         | 6.0                               | 4.9          | 7.1           | 13.5                        | 13.7                 | 16.1           | 16.9           | 13.5           | 15.3           | 14.1           | 13.8           |
| NOV.                         | 11.8                              | 12.6         | 9.1           | 11.1                        | 0.0                  | 10.6           | 12.6           | 9.7            | 11.9           | 10.8           | 10.5           |
| DEC.                         | 4.9                               | 5.6          | 7.7           | 8.6                         | 7.7                  | 13.1           | 13.4           | 13.4           | 13.7           | 10.5           | 10.3           |
| 1977--JAN.                   | 10.9                              | 10.4         | 10.6          | 3.7                         | 5.4                  | 9.7            | 11.4           | 8.7            | 10.8           | 10.9           | 11.0           |
| FEB.                         | -13.1                             | -13.3        | -0.2          | 14.7                        | 0.8                  | 7.1            | 8.9            | 7.0            | 8.7            | 11.4           | 11.7           |
| MAR.                         | -3.1                              | -4.3         | 5.0           | 10.0                        | 5.4                  | 8.6            | 9.4            | 6.2            | 8.0            | 7.8            | 8.5            |
| APR.                         | 13.0                              | 14.1         | 11.8          | 14.0                        | 19.4                 | 13.5           | 12.4           | 11.7           | 11.3           | 10.6           | 10.8           |
| MAY                          | 1.5                               | -3.1         | 6.2           | 10.3                        | 0.7                  | 4.7            | 7.3            | 5.4            | 7.6            | 7.7            | 7.9            |
| JUNE                         | 4.8                               | 2.9          | 6.4           | 8.9                         | 4.5                  | 8.1            | 9.8            | 10.0           | 10.7           | 10.5           | 10.6           |
| JULY                         | 16.9                              | 14.9         | 14.2          | 9.3                         | 18.3                 | 16.6           | 16.1           | 13.6           | 14.3           | 13.3           | 12.9           |
| AUG. P                       | 9.9                               | -15.3        | 8.1           | 12.3                        | 5.5                  | 6.4            | 11.2           | 6.5            | 11.0           | 10.5           | 10.4           |

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

2/ BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY

**MONEY AND CREDIT AGGREGATE MEASURES**

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

| Period           | Bank Reserves <sup>1/</sup> |              |               | Bank Credit                 | Money Stock Measures |                |                |                |                |                |                |
|------------------|-----------------------------|--------------|---------------|-----------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                  | Total                       | Non-borrowed | Monetary Base | Total Loans and Investments | M <sub>1</sub>       | M <sub>2</sub> | M <sub>3</sub> | M <sub>4</sub> | M <sub>5</sub> | M <sub>6</sub> | M <sub>7</sub> |
|                  | 1                           | 2            | 3             | 4                           | 5                    | 6              | 7              | 8              | 9              | 10             | 11             |
| <b>ANNUALLY:</b> |                             |              |               |                             |                      |                |                |                |                |                |                |
| 1974             | 34,174                      | 33,447       | 104,380       | 695.2                       | 283.1                | 612.4          | 981.5          | 701.4          | 1070.5         | 1181.2         | 1221.6         |
| 1975             | 34,015                      | 33,885       | 110,394       | 725.5                       | 294.8                | 664.3          | 1092.6         | 746.5          | 1174.7         | 1308.3         | 1351.1         |
| 1976             | 34,465                      | 34,412       | 118,054       | 786.2                       | 312.4                | 740.3          | 1237.1         | 803.5          | 1300.3         | 1439.1         | 1488.8         |
| <b>MONTHLY:</b>  |                             |              |               |                             |                      |                |                |                |                |                |                |
| 1976--AUG.       | 33,998                      | 33,897       | 115,252       | 762.0                       | 306.5                | 710.4          | 1180.8         | 775.4          | 1245.8         | 1387.5         | 1436.3         |
| SEPT.            | 33,823                      | 33,761       | 115,739       | 766.8                       | 306.9                | 716.3          | 1193.9         | 779.4          | 1257.0         | 1397.5         | 1446.7         |
| OCT.             | 33,992                      | 33,898       | 116,424       | 775.4                       | 310.4                | 725.9          | 1210.7         | 788.2          | 1273.0         | 1415.9         | 1463.3         |
| NOV.             | 34,325                      | 34,253       | 117,304       | 782.6                       | 310.4                | 732.3          | 1223.4         | 794.6          | 1285.6         | 1426.6         | 1476.1         |
| DEC.             | 34,465                      | 34,412       | 118,054       | 788.2                       | 312.4                | 740.3          | 1237.1         | 803.5          | 1300.3         | 1439.1         | 1488.8         |
| 1977--JAN.       | 34,778                      | 34,710       | 119,100       | 790.6                       | 313.8                | 746.3          | 1248.9         | 809.3          | 1312.0         | 1452.2         | 1502.4         |
| FEB.             | 34,397                      | 34,326       | 119,077       | 800.3                       | 314.0                | 750.7          | 1258.2         | 814.0          | 1321.5         | 1466.0         | 1517.1         |
| MAR.             | 34,308                      | 34,204       | 119,572       | 807.0                       | 315.4                | 756.1          | 1268.1         | 818.2          | 1330.3         | 1475.5         | 1527.8         |
| APR.             | 34,680                      | 34,606       | 120,749       | 816.4                       | 320.5                | 764.6          | 1281.2         | 826.2          | 1342.8         | 1488.5         | 1541.6         |
| MAY              | 34,723                      | 34,517       | 121,376       | 823.4                       | 320.7                | 767.6          | 1289.0         | 829.9          | 1351.3         | 1498.1         | 1551.8         |
| JUNE             | 34,862                      | 34,599       | 122,027       | 829.5                       | 321.9                | 772.8          | 1299.5         | 836.8          | 1363.4         | 1511.2         | 1565.5         |
| JULY             | 35,352                      | 35,029       | 123,468       | 835.9                       | 326.8                | 783.5          | 1316.9         | 846.3          | 1379.7         | 1527.9         | 1582.3         |
| AUG. P           | 35,644                      | 34,583       | 124,301       | 844.5                       | 328.3                | 787.7          | 1329.2         | 850.9          | 1392.3         | 1541.3         | 1596.0         |
| <b>WEEKLY:</b>   |                             |              |               |                             |                      |                |                |                |                |                |                |
| 1977-JULY 13     | 34,937                      | 34,777       | 122,816       |                             | 324.3                | 780.7          |                | 843.6          |                |                |                |
| 20               | 35,362                      | 34,956       | 123,424       |                             | 329.0                | 785.9          |                | 848.4          |                |                |                |
| 27               | 34,962                      | 34,667       | 123,422       |                             | 327.8                | 786.0          |                | 848.3          |                |                |                |
| AUG. 3           | 36,156                      | 35,558       | 124,675       |                             | 328.7                | 787.0          |                | 849.9          |                |                |                |
| 10               | 35,635                      | 35,050       | 123,931       |                             | 327.2                | 786.0          |                | 849.3          |                |                |                |
| 17               | 35,705                      | 34,907       | 124,226       |                             | 327.5                | 786.8          |                | 850.1          |                |                |                |
| 24               | 35,258                      | 33,593       | 124,044       |                             | 327.4                | 787.2          |                | 850.4          |                |                |                |
| 31P              | 35,756                      | 34,364       | 124,845       |                             | 330.4                | 791.1          |                | 854.2          |                |                |                |
| SEPT. 7P         | 35,525                      | 34,888       | 124,613       |                             | 329.6                | 791.3          |                | 854.2          |                |                |                |

NOTES: WEEKLY DATA ARE DAILY AVERAGES FOR STATEMENT WEEKS. MONTHLY DATA ARE DAILY AVERAGES. WEEKLY DATA ARE NOT AVAILABLE FOR M<sub>3</sub>, M<sub>5</sub>, M<sub>6</sub>, M<sub>7</sub>, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

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

P - PRELIMINARY

## APPENDIX TABLE 2-A

## COMPONENTS OF MONEY STOCK AND RELATED MEASURES

| Period                            | Currency | Demand Deposits | Time and Savings Deposits |                 |         |       |       | Mutual Savings Bank & S&L Shares <sup>1/</sup> | Credit Union Shares <sup>1/</sup> | Savings Bonds <sup>1/</sup> | Short Term U.S. Gov't Securities <sup>1/</sup> | Commercial Paper <sup>1/</sup> |
|-----------------------------------|----------|-----------------|---------------------------|-----------------|---------|-------|-------|------------------------------------------------|-----------------------------------|-----------------------------|------------------------------------------------|--------------------------------|
|                                   |          |                 | 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) |          |                 |                           |                 |         |       |       |                                                |                                   |                             |                                                |                                |
| <sup>2/</sup> ANNUALLY:           |          |                 |                           |                 |         |       |       |                                                |                                   |                             |                                                |                                |
| 1974                              | 10.3     | 3.6             | 14.7                      | 10.1            | 6.5     | 12.7  | 36.5  | 5.6                                            | 12.3                              | 4.7                         | 13.5                                           | 29.6                           |
| 1975                              | 8.8      | 2.9             | 8.0                       | 11.7            | 17.4    | 7.8   | -6.1  | 15.5                                           | 19.4                              | 6.2                         | 33.4                                           | -1.0                           |
| 1976                              | 9.6      | 4.3             | 8.1                       | 15.2            | 25.0    | 7.7   | -23.5 | 15.6                                           | 17.8                              | 6.9                         | 7.5                                            | 19.2                           |
| <sup>2/</sup> SEMI-ANNUALLY:      |          |                 |                           |                 |         |       |       |                                                |                                   |                             |                                                |                                |
| 1ST HALF 1976                     | 10.7     | 4.0             | 6.3                       | 14.1            | 27.6    | 3.8   | -28.9 | 13.8                                           | 16.6                              | 6.3                         | 16.6                                           | 21.6                           |
| 2ND HALF 1976                     | 8.0      | 4.6             | 9.7                       | 15.2            | 19.7    | 11.4  | -21.1 | 16.2                                           | 17.6                              | 7.2                         | -1.4                                           | 15.2                           |
| 1ST HALF 1977                     | 8.5      | 5.7             | 10.5                      | 12.1            | 15.1    | 9.4   | 0.0   | 12.2                                           | 16.1                              | 6.4                         | 12.5                                           | 16.5                           |
| <sup>2/</sup> QUARTERLY:          |          |                 |                           |                 |         |       |       |                                                |                                   |                             |                                                |                                |
| 3RD QTR. 1976                     | 8.8      | 3.7             | 6.2                       | 14.5            | 19.5    | 10.3  | -40.5 | 16.9                                           | 17.9                              | 8.1                         | 0.0                                            | 15.2                           |
| 4TH QTR. 1976                     | 6.6      | 7.4             | 15.7                      | 18.1            | 27.5    | 10.0  | 1.3   | 15.9                                           | 18.2                              | 6.2                         | -16.1                                          | 4.1                            |
| 1ST QTR. 1977                     | 8.4      | 2.2             | 9.5                       | 11.9            | 15.4    | 8.7   | -7.0  | 12.0                                           | 16.4                              | 6.1                         | 31.1                                           | 20.9                           |
| 2ND QTR. 1977                     | 8.8      | 8.2             | 9.5                       | 9.4             | 4.0     | 14.2  | 10.9  | 11.1                                           | 13.8                              | 6.6                         | 8.3                                            | 15.3                           |
| <sup>2/</sup> QUARTERLY-AV:       |          |                 |                           |                 |         |       |       |                                                |                                   |                             |                                                |                                |
| 3RD QTR. 1976                     | 7.8      | 3.2             | 7.0                       | 12.8            | 13.8    | 11.7  | -24.6 | 14.6                                           | 15.9                              | 7.0                         | 9.2                                            | 22.6                           |
| 4TH QTR. 1976                     | 8.1      | 6.0             | 12.2                      | 17.1            | 24.7    | 10.8  | -18.9 | 17.2                                           | 18.5                              | 7.4                         | -11.9                                          | 7.4                            |
| 1ST QTR. 1977                     | 7.5      | 3.1             | 12.5                      | 14.0            | 21.9    | 7.1   | 1.9   | 13.3                                           | 16.7                              | 6.7                         | 11.1                                           | 12.9                           |
| 2ND QTR. 1977                     | 9.3      | 8.3             | 8.3                       | 9.8             | 7.9     | 11.6  | -1.9  | 10.9                                           | 15.0                              | 6.1                         | 13.6                                           | 19.5                           |
| <sup>2/</sup> MONTHLY:            |          |                 |                           |                 |         |       |       |                                                |                                   |                             |                                                |                                |
| 1976--AUG.                        | 7.7      | 5.3             | -0.3                      | 11.4            | 21.7    | 2.2   | -67.9 | 18.0                                           | 16.6                              | 8.6                         | 0.0                                            | 14.9                           |
| SEPT.                             | 9.2      | -1.1            | 9.2                       | 16.3            | 23.3    | 11.0  | -35.1 | 18.0                                           | 19.6                              | 10.3                        | -28.6                                          | 9.8                            |
| OCT.                              | 9.1      | 15.3            | 13.5                      | 17.9            | 19.6    | 15.8  | -15.2 | 18.0                                           | 19.3                              | 5.1                         | 0.0                                            | 7.3                            |
| NOV.                              | 6.0      | -2.1            | 16.1                      | 18.8            | 29.9    | 9.7   | -1.9  | 15.3                                           | 15.8                              | 6.8                         | -3.4                                           | 0.0                            |
| DEC.                              | 4.5      | 8.9             | 17.1                      | 16.8            | 31.0    | 4.3   | 21.2  | 13.8                                           | 18.8                              | 6.7                         | -44.9                                          | 4.8                            |
| 1977--JAN.                        | 8.9      | 4.1             | 11.0                      | 12.9            | 21.9    | 4.8   | -3.8  | 14.2                                           | 15.4                              | 6.7                         | 17.9                                           | 12.1                           |
| FEB.                              | 10.4     | -3.1            | 10.7                      | 11.7            | 13.4    | 10.6  | 3.8   | 11.4                                           | 15.2                              | 6.6                         | 68.9                                           | 21.5                           |
| MAR.                              | 5.9      | 5.7             | 6.7                       | 10.7            | 10.4    | 10.5  | -20.9 | 10.0                                           | 18.0                              | 5.0                         | 5.0                                            | 28.2                           |
| APR.                              | 13.1     | 21.6            | 6.9                       | 9.5             | 9.7     | 9.4   | -11.6 | 10.4                                           | 11.8                              | 6.6                         | 3.3                                            | 18.4                           |
| MAY                               | 7.2      | -1.5            | 8.3                       | 7.6             | 4.5     | 10.3  | 13.6  | 11.1                                           | 11.7                              | 6.5                         | 11.6                                           | 15.8                           |
| JUNE                              | 5.7      | 4.6             | 13.2                      | 10.7            | -2.3    | 22.5  | 30.8  | 11.5                                           | 17.4                              | 6.5                         | 9.9                                            | 11.2                           |
| JULY                              | 15.7     | 18.2            | 11.0                      | 15.4            | 8.5     | 21.6  | -20.7 | 15.1                                           | 20.0                              | 6.5                         | 0.0                                            | 2.2                            |
| AUG. P                            | 5.6      | 6.0             | 6.9                       | 7.1             | 13.5    | 1.0   | 7.6   | 18.3                                           | 16.9                              | 6.4                         | 6.5                                            | 6.6                            |

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

2/ BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY.

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

SEPT. 16, 1977

| Period           | Currency | Demand Deposits | Time and Savings Deposits |                 |         |       | CD's  | Mutual Savings Bank & S&L Shares <sup>1/</sup> | Credit Union Shares <sup>1/</sup> | Savings Bonds <sup>1/</sup> | Short-Term U.S. Gov't Sec <sup>1/</sup> | Com-mercial Paper <sup>1/</sup> | Non-Deposit Funds <sup>2/</sup> | Total Gov't Demand Deposits <sup>3/</sup> |
|------------------|----------|-----------------|---------------------------|-----------------|---------|-------|-------|------------------------------------------------|-----------------------------------|-----------------------------|-----------------------------------------|---------------------------------|---------------------------------|-------------------------------------------|
|                  |          |                 | Total                     | Other Than CD's |         |       |       |                                                |                                   |                             |                                         |                                 |                                 |                                           |
|                  |          |                 |                           | Total           | Savings | Other |       |                                                |                                   |                             |                                         |                                 |                                 |                                           |
| 1                | 2        | 3               | 4                         | 5               | 6       | 7     | 8     | 9                                              | 10                                | 11                          | 12                                      | 13                              | 14                              |                                           |
| <b>ANNUALLY:</b> |          |                 |                           |                 |         |       |       |                                                |                                   |                             |                                         |                                 |                                 |                                           |
| 1974             | 67.8     | 215.3           | 418.3                     | 329.3           | 136.2   | 193.1 | 89.0  | 341.5                                          | 27.6                              | 63.3                        | 47.4                                    | 40.4                            | 37.6                            | 6.0                                       |
| 1975             | 73.7     | 221.0           | 451.7                     | 369.6           | 161.0   | 208.6 | 82.1  | 395.2                                          | 33.0                              | 67.3                        | 66.3                                    | 42.8                            | 33.7                            | 8.3                                       |
| 1976             | 80.5     | 231.9           | 491.1                     | 427.9           | 202.4   | 225.5 | 63.3  | 457.8                                          | 39.0                              | 71.9                        | 66.9                                    | 49.7                            | 51.4                            | 11.2                                      |
| <b>MONTHLY:</b>  |          |                 |                           |                 |         |       |       |                                                |                                   |                             |                                         |                                 |                                 |                                           |
| 1976--AUG.       | 78.6     | 227.9           | 468.9                     | 403.9           | 185.8   | 218.0 | 65.0  | 433.8                                          | 36.7                              | 70.2                        | 71.4                                    | 48.8                            | 41.9                            | 12.6                                      |
| SEPT.            | 79.2     | 227.7           | 472.5                     | 409.4           | 189.4   | 220.0 | 63.1  | 440.3                                          | 37.3                              | 70.8                        | 69.7                                    | 49.2                            | 42.0                            | 12.0                                      |
| OCT.             | 79.8     | 230.6           | 477.8                     | 415.5           | 192.5   | 222.9 | 62.3  | 446.9                                          | 37.9                              | 71.1                        | 69.7                                    | 49.5                            | 43.8                            | 13.2                                      |
| NOV.             | 80.2     | 230.2           | 484.2                     | 422.0           | 197.3   | 224.7 | 62.2  | 452.6                                          | 38.4                              | 71.5                        | 69.5                                    | 49.5                            | 48.2                            | 13.0                                      |
| DEC.             | 80.5     | 231.9           | 491.1                     | 427.9           | 202.4   | 225.5 | 63.3  | 457.8                                          | 39.0                              | 71.9                        | 66.9                                    | 49.7                            | 51.4                            | 11.2                                      |
| 1977--JAN.       | 81.1     | 232.7           | 495.6                     | 432.5           | 206.1   | 226.4 | 63.1  | 463.2                                          | 39.5                              | 72.3                        | 67.9                                    | 50.2                            | 50.3                            | 10.0                                      |
| FEB.             | 81.8     | 232.1           | 500.0                     | 436.7           | 208.4   | 228.4 | 63.3  | 467.6                                          | 40.0                              | 72.7                        | 71.8                                    | 51.1                            | 50.7                            | 11.7                                      |
| MAR.             | 82.2     | 233.2           | 502.8                     | 440.6           | 210.2   | 230.4 | 62.2  | 471.5                                          | 40.6                              | 73.0                        | 72.1                                    | 52.3                            | 52.7                            | 11.2                                      |
| APR.             | 83.1     | 237.4           | 505.7                     | 444.1           | 211.9   | 232.2 | 61.6  | 475.6                                          | 41.0                              | 73.4                        | 72.3                                    | 53.1                            | 52.7                            | 10.8                                      |
| MAY              | 83.6     | 237.1           | 509.2                     | 446.9           | 212.7   | 234.2 | 62.3  | 480.0                                          | 41.4                              | 73.8                        | 73.0                                    | 53.8                            | 56.2                            | 10.6                                      |
| JUNE             | 84.0     | 238.0           | 514.8                     | 450.9           | 212.3   | 238.6 | 63.9  | 484.6                                          | 42.0                              | 74.2                        | 73.6                                    | 54.3                            | 55.9                            | 10.1                                      |
| JULY             | 85.1     | 241.6           | 519.5                     | 456.7           | 213.8   | 242.9 | 62.8  | 490.7                                          | 42.7                              | 74.6                        | 73.6                                    | 54.4                            | 55.9                            | 11.8                                      |
| AUG. P           | 85.5     | 242.8           | 522.5                     | 459.4           | 216.2   | 243.1 | 63.2  | 498.2                                          | 43.3                              | 75.0                        | 74.0                                    | 54.7                            | 58.1                            | 10.2                                      |
| <b>WEEKLY:</b>   |          |                 |                           |                 |         |       |       |                                                |                                   |                             |                                         |                                 |                                 |                                           |
| 1977-JULY        | 13       | 84.8            | 239.5                     | 519.2           | 456.4   | 213.2 | 243.2 | 62.8                                           |                                   |                             |                                         |                                 | 54.4                            | 10.7                                      |
|                  | 20       | 84.9            | 244.1                     | 519.3           | 456.9   | 213.8 | 243.1 | 62.4                                           |                                   |                             |                                         |                                 | 59.2                            | 11.8                                      |
|                  | 27       | 85.3            | 242.6                     | 520.4           | 458.1   | 214.5 | 243.7 | 62.3                                           |                                   |                             |                                         |                                 | 58.0                            | 12.8                                      |
| AUG.             | 3        | 85.4            | 243.3                     | 521.1           | 458.3   | 215.2 | 243.1 | 62.9                                           |                                   |                             |                                         |                                 | 54.4                            | 12.6                                      |
|                  | 10       | 85.4            | 241.8                     | 522.0           | 458.8   | 215.7 | 243.0 | 63.3                                           |                                   |                             |                                         |                                 | 59.4                            | 10.2                                      |
|                  | 17       | 85.4            | 242.1                     | 522.6           | 459.3   | 216.2 | 243.0 | 63.3                                           |                                   |                             |                                         |                                 | 59.0                            | 10.5                                      |
|                  | 24       | 85.6            | 241.7                     | 523.0           | 459.9   | 216.6 | 243.3 | 63.1                                           |                                   |                             |                                         |                                 | 57.4                            | 10.7                                      |
|                  | 31P      | 85.8            | 244.6                     | 523.8           | 460.7   | 216.9 | 243.9 | 63.1                                           |                                   |                             |                                         |                                 | 58.4                            | 8.5                                       |
| SEPT.            | 7P       | 86.2            | 243.4                     | 524.6           | 461.7   | 217.6 | 244.2 | 62.8                                           |                                   |                             |                                         |                                 |                                 | 7.3                                       |

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

2/ INCLUDES BORROWINGS FROM OTHER THAN COMMERCIAL BANKS IN THE FORM OF FEDERAL FUNDS PURCHASED, SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE, AND OTHER LIABILITIES FOR BORROWED MONEY, PLUS GROSS LIABILITIES TO OWN FOREIGN BRANCHES (EURODOLLAR BORROWINGS), LOANS SOLD TO AFFILIATES, LOAN RPS, AND OTHER MINOR ITEMS.

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

P - PRELIMINARY