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May 15, 1987

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MONETARY POLICY ALTERNATIVES

Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

May 15, 1987

MONETARY POLICY ALTERNATIVES

Recent Developments

(1) Growth of the monetary aggregates picked up substantially in April. A surge in transactions balances around mid-month, which pushed M1 to an 18 percent rate of growth, likely was related to a huge volume of tax payments. Nonwithheld tax payments by individuals processed by the Treasury in April and early May were nearly \$25 billion higher than last year, apparently owing to the unusually sizable realization of capital gains late last year in advance of less favorable treatment under the new tax law. Partly reflecting these tax effects, and possibly the redemptions reported at mutual funds as rates rose in early April, M2 accelerated to around a 6 percent annual rate; M3 growth also rose to nearly 6 percent last month accompanying a pickup in bank credit expansion. These growth rates were in line with the Committee's specifications for the March-to-June period of around 6 percent or less, and left the broad aggregates in April just below the lower ends of their annual cones. Liquid deposits ran off at the end of April and in early May as tax payments cleared, reversing much of the previous bulge in M1, and probably also contributing to the sluggish behavior of M2 that appears in train early this month.

(2) The nontransactions component of M2 remained weak in April and early May. Some of this may be tax related, reflecting transfers into M1 around mid-April from other accounts in M2 as well as the clearing of tax checks drawn on MMDAs and money market funds. More generally, widening opportunity costs as market interest rates have increased likely have been reducing incentives to hold M2 balances. Growth in the non-M2 portion of M3 was held down by weakness in institution-only money funds as market

KEY MONETARY AGGREGATES
(Seasonally adjusted annual rates of growth)

| | Q1 | March | April | QIV '86 to April |
|------------------------------------|-------|-------|-------------------|------------------------|
| <u>Money and credit aggregates</u> | | | | |
| M1 | 13.0 | 3.3 | 17.9 | 11.9 |
| M2 | 6.4 | 1.8 | 5.9 | 5.3 |
| M3 | 6.5 | 1.9 | 5.8 | 5.4 |
| Domestic nonfinancial debt | 11.8 | 7.9 | 9.5 ^{pe} | 10.7 ^{pe} |
| Bank credit | 10.1 | 3.8 | 11.9 | 9.0 |
| <u>Reserve measures</u> | | | | |
| Nonborrowed reserves ¹ | 17.3 | -0.2 | 13.6 | 13.3 |
| Total reserves | 16.4 | -0.4 | 23.2 | 14.6 |
| Monetary base | 11.3 | 2.9 | 9.8 | 9.8 |
| Memo: (Millions of dollars) | | | | |
| Adjustment and seasonal borrowing | 297 | 263 | 723 | -- |
| Excess reserves | 1,065 | 916 | 828 | -- |

pe--preliminary estimate.

1. Includes "other extended credit" from the Federal Reserve.

NOTE: Monthly reserve measures, including excess reserves and borrowing, are calculated by prorating averages for 2-week reserve maintenance periods that overlap months. Reserve data incorporate new seasonal factors and adjustments for discontinuities associated with implementation of the Monetary Control Act and other regulatory changes to reserve requirements.

rates rose. However, commercial banks stepped up their issuance of large CDs in April, as the rise in long-term interest rates shifted some credit demands from capital markets to banks and churning in securities markets apparently generated demands for security loans.

(3) Growth of the debt of domestic nonfinancial sectors in April is estimated at a 9-1/2 percent rate, a little above the reduced pace of the previous two months. Given its ample cash position, the Treasury continued to pay down bills in regular weekly auctions last month, but with coupon offerings maintained, on a seasonally adjusted basis Treasury borrowing strengthened last month. Meanwhile, the upsurge in interest rates prompted state and local governments to cancel or defer many refunding issues, which had accounted for a sizable portion of their debt issuance this year. Business credit growth in the aggregate probably tapered off somewhat, as borrowing was postponed with the rise in bond yields, but in the household sector, debt growth appears to have picked up a little. Bank data suggest that consumer credit strengthened a bit in April, perhaps partly for tax purposes, and mortgage debt growth likely was sustained by previous commitments and by continued takedowns under home equity lines.

(4) In light of downward pressures on the dollar, the provision of reserves through open market operations was cautious at times through the period, and during the reserve maintenance period ending May 6 the allowance for adjustment and seasonal borrowing used to construct the reserve path was raised from \$300 to \$400 million. Demands for reserves strengthened in April reflecting increases in required reserves associated with the steep rise in transaction accounts near mid-month. In the second half of the month, as the large volume of tax payments cleared, Treasury balances at Reserve Banks rose precipitously, absorbing reserves. Unusual uncertainties in the

projections of required reserves and Treasury balances, as well as occasional shortages of RP collateral, complicated the management of reserves over the intermeeting period. In these circumstances, the federal funds rate spiked to well over 7 percent late in April, before dropping back to around 6-3/4 percent. The reserve shortages and higher funds rate prompted a considerable rise in discount window borrowing to \$689 million in the period ended April 22 and \$1,111 million in the following period. Thus far in the current period, borrowing has averaged \$490 million.

(5) Most other interest rates also have risen, with long-term rates climbing particularly steeply. International developments--the escalation of trade tensions between the United States and Japan and the downward pressure on the dollar--raised questions about continuing private demands for dollar assets, the prospects for U.S. inflation, and the response of monetary policy. Bond markets stabilized for a time following announcement of the slight firming in policy and reports of reasonably active foreign participation at the Treasury's mid-quarter auctions. However, market sentiment remained uneasy, and worsened in response to rising commodity prices and the sizable increase in the Producer Price Index. Bond yields generally have risen a little over a percentage point since the last FOMC meeting. Commitment rates for fixed-rate mortgages have risen somewhat more--nearly 1-1/2 percentage points--reflecting increased lender caution in a volatile rate environment. Short-term rates are up three-eighths to three-quarters of a percentage point--including three one-quarter percentage point increases in the prime rate.

(6) The dollar was under substantial selling pressure in foreign exchange markets for most of the intermeeting period amid continuing tensions in the trade area and persisting doubts as to whether countries would take

steps to correct underlying domestic and international imbalances. The dollar has tended to stabilize recently, in part reflecting actions to firm monetary conditions in the United States and in to ease conditions in Japan, Germany, and the United Kingdom. The differential between rates on 3-month bank liabilities in the United States and in these three countries rose by about 120 basis points in favor of the dollar, while the differential in longer-term instruments rose by more than 160 basis points.

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purchased \$1.4 billion against yen and \$240 million against marks, split about equally between the System and the Treasury.

Policy alternatives

(7) Three alternative specifications for money growth from March to June appear in the table below, along with associated federal funds rate ranges. (More detailed data, including growth rates implied by each alternative from April to June and from the fourth-quarter base of the long-run ranges through June, are presented in the table and charts on the following pages.) Under all the alternatives, M2 is expected to grow sluggishly on average in May and June, reflecting at least in part the reversal of the tax-related buildup and the effects of the recent increases in market rates, leaving this aggregate in June noticeably below the lower bound of its long-run range. M3 expansion through June would be supported by issuance of managed liabilities needed to finance expected bank credit expansion, and this measure would be around the lower bound of its annual range in June. M1 growth, though slowing considerably from the tax-induced surge in April, still would average nearly 10 percent over the first half of the year.

| | <u>Alt. A</u> | <u>Alt. B</u> | <u>Alt. C</u> |
|--|---------------|---------------|---------------|
| Growth from March to June | | | |
| M2 | 4-1/2 | 4 | 3-1/2 |
| M3 | 6-1/4 | 6 | 5-3/4 |
| M1 | 9-1/4 | 8-1/2 | 7-3/4 |
| Associated federal funds rate range | 3 to 7 | 4 to 8 | 5 to 9 |

(8) Alternative B assumes maintenance of the current \$400 million allowance for adjustment and seasonal borrowing. This is expected to involve some decrease in the federal funds rate from recent levels, which have

Alternative Levels and Growth Rates for Key Monetary Aggregates

| | M2 | | | M3 | | | M1 | | |
|------------------------------------|------------|--------|--------|------------|--------|--------|--------|--------|--------|
| | Alt. A | Alt. B | Alt. C | Alt. A | Alt. B | Alt. C | Alt. A | Alt. B | Alt. C |
| Levels in billions | | | | | | | | | |
| 1987-January | 2822.0 | 2822.0 | 2822.0 | 3515.3 | 3515.3 | 3515.3 | 737.6 | 737.6 | 737.6 |
| February | 2821.5 | 2821.5 | 2821.5 | 3518.9 | 3518.9 | 3518.9 | 737.2 | 737.2 | 737.2 |
| March | 2825.7 | 2825.7 | 2825.7 | 3524.4 | 3524.4 | 3524.4 | 739.2 | 739.2 | 739.2 |
| April | 2839.6 | 2839.6 | 2839.6 | 3541.3 | 3541.3 | 3541.3 | 750.2 | 750.2 | 750.2 |
| May | 2840.9 | 2840.4 | 2839.9 | 3552.5 | 3551.9 | 3551.3 | 749.9 | 749.7 | 749.5 |
| June | 2857.4 | 2853.9 | 2850.4 | 3578.6 | 3576.8 | 3575.1 | 756.2 | 754.9 | 753.6 |
| Monthly Growth Rates | | | | | | | | | |
| 1987-January | 9.5 | 9.5 | 9.5 | 9.1 | 9.1 | 9.1 | 11.7 | 11.7 | 11.7 |
| February | -0.2 | -0.2 | -0.2 | 1.2 | 1.2 | 1.2 | -0.7 | -0.7 | -0.7 |
| March | 1.8 | 1.8 | 1.8 | 1.9 | 1.9 | 1.9 | 3.3 | 3.3 | 3.3 |
| April | 5.9 | 5.9 | 5.9 | 5.8 | 5.8 | 5.8 | 17.9 | 17.9 | 17.9 |
| May | 0.5 | 0.3 | 0.1 | 3.8 | 3.6 | 3.4 | -0.5 | -0.8 | -1.1 |
| June | 7.0 | 5.7 | 4.4 | 8.8 | 8.4 | 8.0 | 10.1 | 8.3 | 6.6 |
| Quarterly Ave. Growth Rates | | | | | | | | | |
| 1986-Q2 | 9.4 | 9.4 | 9.4 | 8.7 | 8.7 | 8.7 | 15.5 | 15.5 | 15.5 |
| Q3 | 10.6 | 10.6 | 10.6 | 9.6 | 9.6 | 9.6 | 16.5 | 16.5 | 16.5 |
| Q4 | 9.2 | 9.2 | 9.2 | 8.0 | 8.0 | 8.0 | 17.0 | 17.0 | 17.0 |
| 1987-Q1 | 6.4 | 6.4 | 6.4 | 6.5 | 6.5 | 6.5 | 13.0 | 13.0 | 13.0 |
| Q2 | 3.2 | 3.0 | 2.9 | 4.3 | 4.2 | 4.1 | 7.6 | 7.4 | 7.1 |
| Dec. 86 to June 87 | 4.1 | 4.1 | 4.1 | 5.1 | 5.1 | 5.1 | 7.0 | 7.0 | 7.0 |
| Mar. 87 to June 87 | 4.5 | 4.0 | 3.5 | 6.2 | 6.0 | 5.8 | 9.2 | 8.5 | 7.8 |
| Apr. 87 to June 87 | 3.8 | 3.0 | 2.3 | 6.3 | 6.0 | 5.7 | 4.8 | 3.8 | 2.7 |
| Q4 85 to Q4 86 | 8.9 | 8.9 | 8.9 | 8.8 | 8.8 | 8.8 | 15.3 | 15.3 | 15.3 |
| Q4 86 to Q2 87 | 4.9 | 4.8 | 4.7 | 5.5 | 5.4 | 5.4 | 10.4 | 10.3 | 10.2 |
| Q4 86 to Mar. 87 | 5.1 | 5.1 | 5.1 | 5.3 | 5.3 | 5.3 | 10.2 | 10.2 | 10.2 |
| Q4 86 to Apr. 87 | 5.3 | 5.3 | 5.3 | 5.4 | 5.4 | 5.4 | 11.9 | 11.9 | 11.9 |
| Q4 86 to June 87 | 4.9 | 4.6 | 4.4 | 5.7 | 5.6 | 5.5 | 9.9 | 9.6 | 9.3 |
| 1987 Ranges: | 5.5 to 8.5 | | | 5.5 to 8.5 | | | | | |

CHART 1
ACTUAL AND TARGETED M2

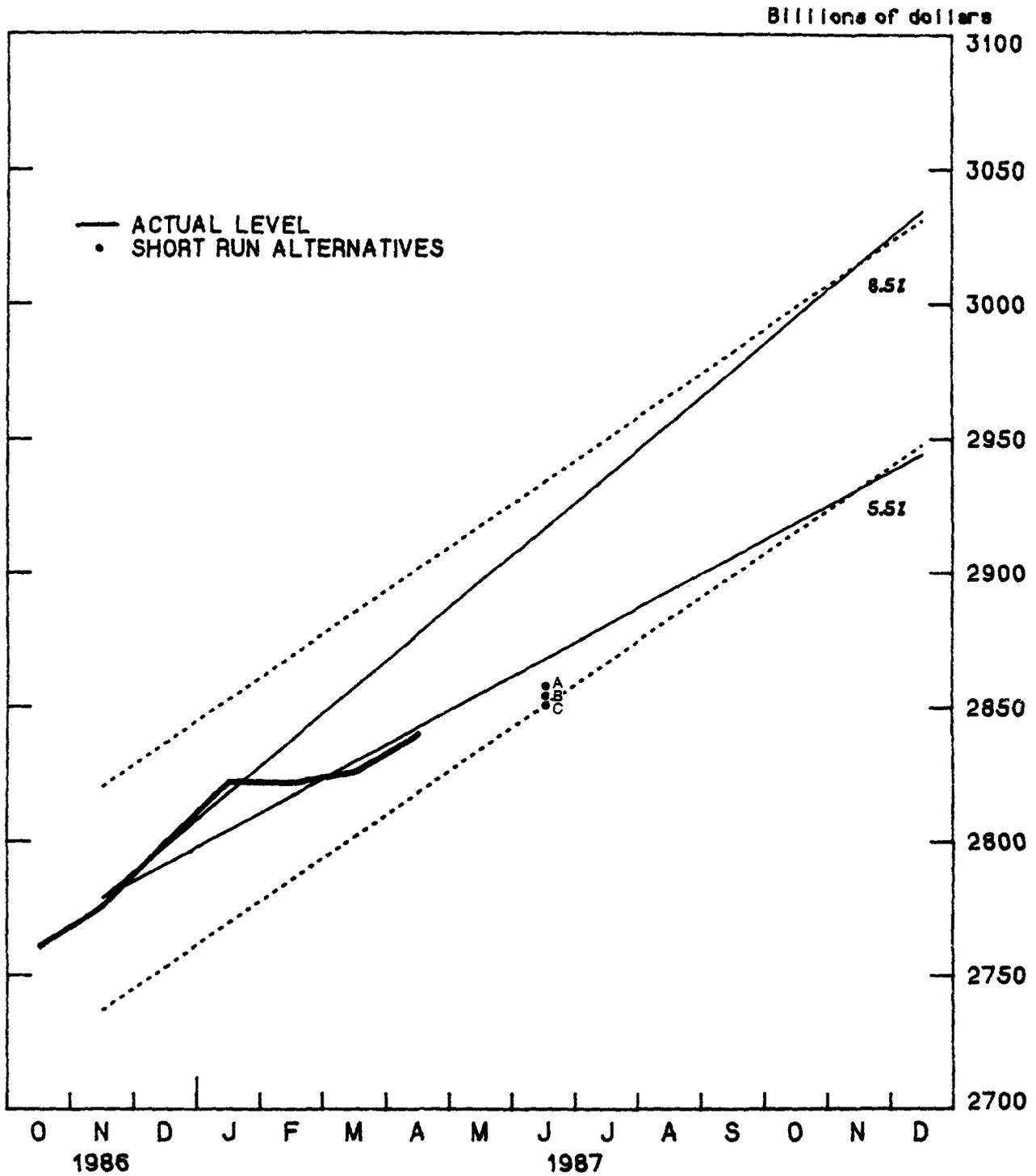


CHART 2
ACTUAL AND TARGETED M3

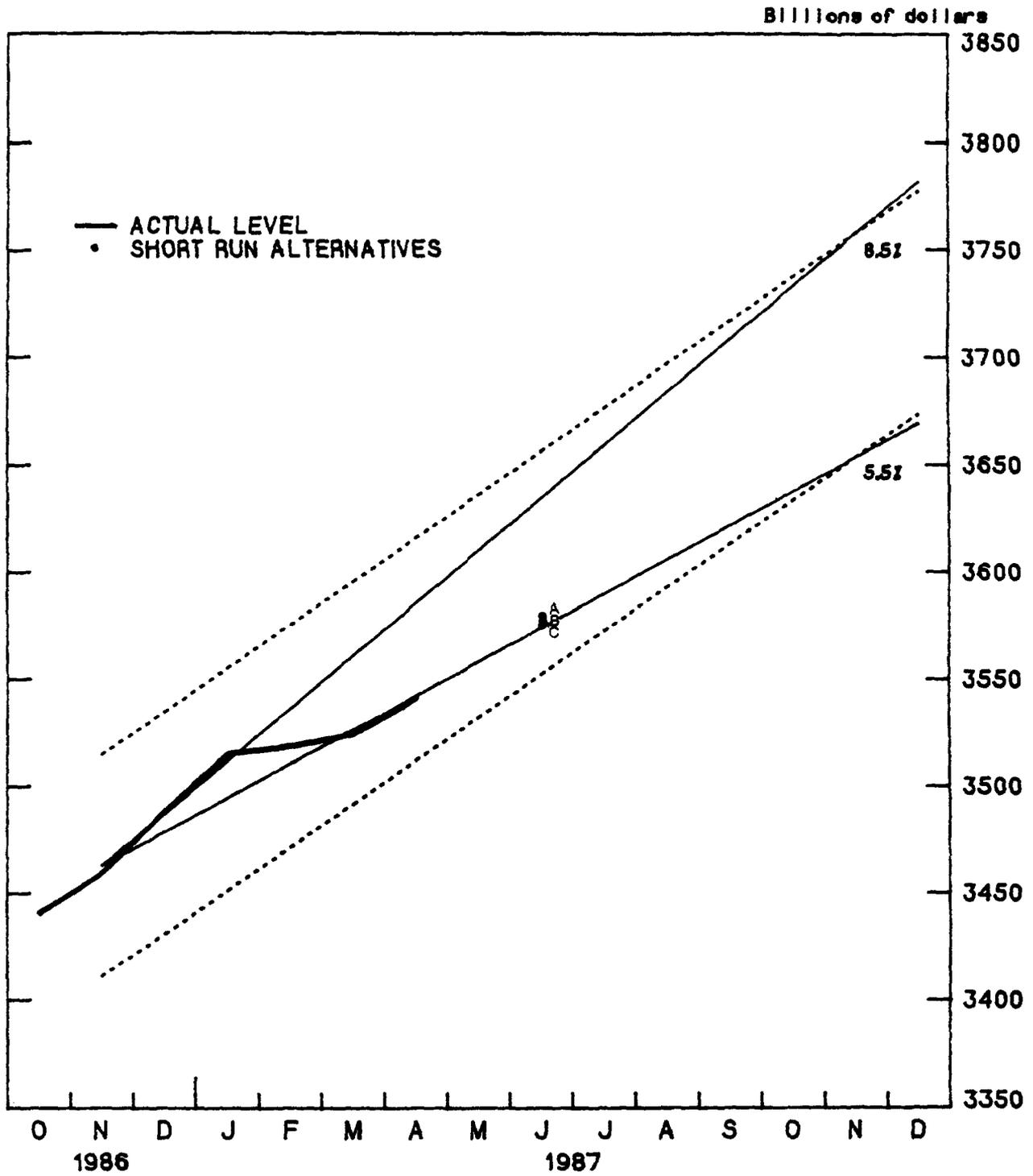


CHART 3
M1

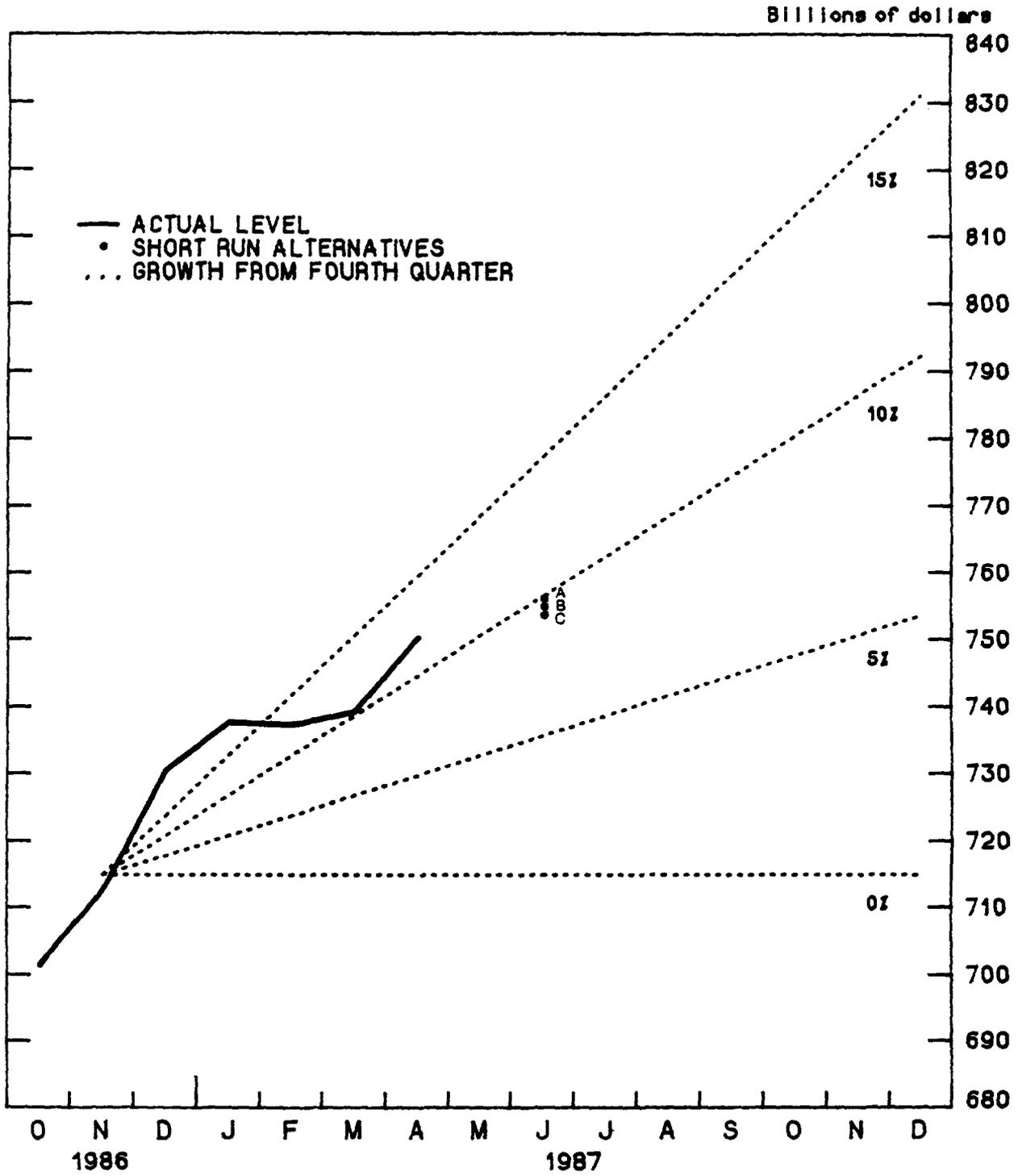
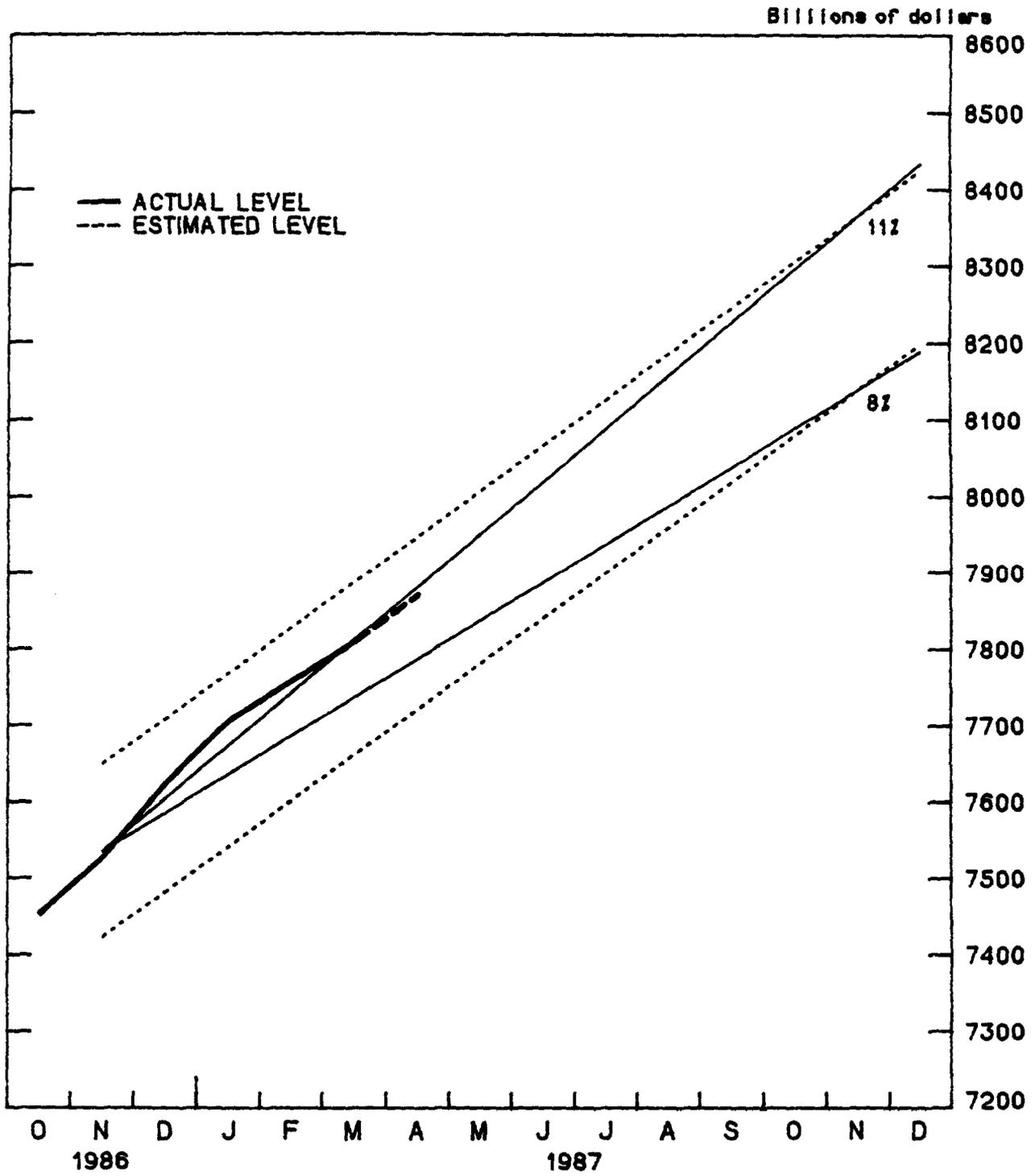


Chart 4
DEBT



partly reflected market perceptions that the System is, or soon would be, seeking firmer reserve conditions than those assumed in this alternative. Under normal circumstances, attainment of the alternative B borrowing path and its broad perception as the System's operating objective might be associated with the federal funds rate dropping to appreciably below 6-1/2 percent. However, continuation of concerns about the dollar and inflation and related uncertainties about the stance of monetary policy might prevent the funds rate from falling below the 6-1/2 percent area. If the funds rate were to settle around 6-1/2 percent, Treasury bills probably would trade in a 5-3/4 to 6 percent range. The lower level of the funds rate could encourage a decline in rates on other private short-term instruments.

(9) The slight drop in money market rates expected under this alternative may not be accompanied by an improvement in bond yields. Longer-term markets are likely to remain highly sensitive to the behavior of the dollar on foreign exchange markets and indications of emerging price pressures in the United States. While increases in some price measures should moderate a bit from the elevated rate of earlier months, they are expected to remain considerably in excess of the pace of last year. Moreover, the staff expects the dollar to remain under downward pressure with alternative B, in light of slow progress in the adjustment of nominal external imbalances, arising in part from weak growth in our major trading partners. Under these conditions, markets are likely to continue to anticipate a firming in monetary policy before very long.

(10) Under alternative B, M2 growth is expected to be held down in May, in part by the unwinding of tax payment effects. Expansion of this aggregate is projected to rebound in June to a 5-3/4 percent rate--roughly in line with the pace that might be expected based on interest rate movements

and projected income growth. But this would still mean rather slow growth over the second quarter and by June this aggregate would have grown a full percentage point below its lower bound. Balances depleted by April tax payments are not likely to be replenished quickly. Rates paid on M2 assets should continue to lag behind recent increases in market rates, although small time deposit rates in some areas of the country are moving up quickly. The velocity of M2 implied by the staff's GNP forecast would rise at a 3 percent annual rate this quarter, compared with a gain less than half that size in the first quarter. While an increase in velocity would be expected with the further rise in the average opportunity cost on M2, under alternative B this increase would be somewhat greater than predicted by most available models of M2 demand. M2 growth in the second quarter apparently is being depressed by special factors, perhaps related to a draw-down of balances accumulated late in 1986 when capital gains were realized, and to shifting preferences for financing consumer purchases out of liquid assets rather than with credit.

(11) M3 growth is expected to average around 6 percent in May and June under alternative B, keeping this aggregate near the lower end of its long-run range. Expansion of M3 should be sustained by an anticipated pickup in net issuance of large time deposits and other managed liabilities to support asset growth at depository institutions. However, M3 growth may be held down by increased borrowing by banks from their foreign branches, especially if foreign central banks continue to intervene heavily and place the proceeds in the Euromarkets. Business borrowing at commercial banks, which already has accelerated so far this quarter in response to higher costs of longer-term corporate financing, is expected to continue strong. Some bounce-back of thrift asset expansion from the depressed first-quarter pace

is anticipated in the second quarter, in part as higher mortgage rates boost originations of ARMs, which are much less likely than fixed rate mortgages to be sold into pools. Expansion of all credit to nonfinancial sectors, in markets as well as through depositories, is expected to continue at around a 10 percent rate over May and June, placing the debt aggregate just below the upper end of its monitoring range.

(12) Owing to the clearing of tax payments in late April and early May, M1 likely will be flat in May on a monthly average basis before rebounding in June to around an 8 percent annual rate under alternative B. June growth would represent a moderation from the average pace since the fourth quarter of last year, in response to the upward movement of market interest rates. There is some chance that the deceleration could be even more marked, should depositors be particularly sensitive to widening spreads between rates on small time deposits and OCDs. Under alternative B, quarterly average growth for M1, at 7-1/2 percent, still would slightly exceed projected GNP expansion, implying a decline in M1 velocity for the tenth straight quarter.

(13) Alternative C assumes either a \$200 million increase, to \$600 million, in the borrowing allowance used to construct reserve paths, or a rise in the discount rate of one-half percentage point. With the market already anticipating some firming of policy, any increase in the federal funds and other market rates under this alternative might be relatively muted, although a discount rate increase could have a more sizable, temporary impact on very short-term rates. Federal funds might settle into a 6-3/4 to 7 percent range, and bill rates might rise to around 6-1/4 percent or a little higher. Any upward adjustment of Treasury bond yields probably also would be comparatively small, as this policy action would tend to temper bearishness about the dollar in exchange markets, especially if it were

accompanied by further easing moves abroad, and relieve some anxieties about the outlook for U.S. inflation. Quality spreads could widen some, however, if the higher rates were seen as raising the odds on a weak economic performance, or were to intensify concerns about the international debt situation. An additional increase in the prime rate seems likely under this alternative.

(14) The continued widening of opportunity costs of monetary assets implied by alternative C would further depress demands for core deposits, with M2 growth from April to June likely slowing to a 2-1/4 percent pace. Growth at this rate would leave M2 at the lower end of the parallel band associated with its longer-run range. The implied expansion--of around 7 percent--in the second half of the year needed to attain the lower end of the long-run range would seem to require a considerable easing of policy later in the year. Transactions deposits would be especially affected by an upward movement of market rates, which would substantially boost opportunity costs on NOW accounts and constrain demand deposit growth partly because compensating balance requirements were reduced. M3 growth would be expected to remain at about its April pace as bank credit growth stayed strong, placing this aggregate at the lower bound of its long-run range in June.

(15) Alternative A, which assumes a reduction of borrowing at the discount window to \$200 million, would induce the federal funds rate to drop back over time, probably to below 6 percent. The easing of reserve pressures would tend to boost M2 growth in June to a 7 percent annual rate, thereby limiting, though not preventing, a widening by June of the shortfall of M2 relative to the 5-1/2 percent lower bound of its annual range. Lower interest rates and stronger nominal income growth than in the staff greenbook forecast would be expected to boost M2 demand in the second half of the year, providing greater assurance that this aggregate would grow within its range for the

year. The specified growth of M3 over these two months, at 6-1/4 percent, would move this aggregate in June to just above the lower bound of its range. M1 under this policy alternative would be expected to grow at only a 4-3/4 percent average rate over the last two months of this quarter, but its June pace of 10 percent would be more suggestive of its underlying momentum entering the remainder of the year.

(16) Under alternative A, short-term interest rates would retrace their recent increases. Unless it were accompanied by substantial easing moves abroad, the exchange value of the dollar would move sharply downward, heightening inflation concerns. Under these conditions bond yields would be unlikely to decline much, if at all.

Directive language

(17) Two variants of draft language for the operational paragraph are shown below. In both variants, alternative language shown in brackets at the end of the first sentence would take account of the difference between the actual reserve pressures in recent weeks and those specified in the reserve paths. The first variant then follows the format of the March 31 directive which placed particular emphasis on the behavior of the dollar in foreign exchange markets in guiding any intermeeting reserve adjustments. The language in the second set of brackets would allow for easing as well as firming over the intermeeting period should the Committee not want to rule out this possibility. Given the recent behavior of prices, the Committee may wish to consider whether to substitute wording like "indications of inflationary pressures", shown in the third set of brackets, for the current "progress against inflation."

Variant II returns to a structure more like that used prior to March 31, placing greater emphasis on monetary growth in guiding possible intermeeting reserve adjustments. However, this variant also would retain "developments in foreign exchange markets" as a key factor that could call for an adjustment in reserve pressures during the intermeeting period.

OPERATIONAL PARAGRAPH

Variant I

In the implementation of policy for the immediate future, the Committee seeks to DECREASE SOMEWHAT (Alt. A)/maintain (Alt. B)/ INCREASE SOMEWHAT (Alt. C) the existing degree of pressure on reserve positions [THE DEGREE OF RESERVE PRESSURE SOUGHT IN RECENT WEEKS]. Somewhat/SLIGHTLY greater reserve restraint might/WOULD [,OR SOMEWHAT/SLIGHTLY LESSER RESERVE RESTRAINT MIGHT/WOULD,] be

acceptable depending on developments in foreign exchange markets, taking into account the behavior of the aggregates, the strength of the business expansion, progress against inflation [INDICATIONS OF INFLATIONARY PRESSURES], and conditions in credit markets. This approach is expected to be consistent with growth in M2 and M3 over the period from March through June at annual rates of around 6 ___ AND ___ percent ~~or less~~, RESPECTIVELY. Growth in M1 is expected to ~~remain~~ SLOW substantially OVER THE BALANCE OF THE SECOND QUARTER ~~below its pace in 1986~~. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that reserve conditions during the period before the next meeting are likely to be associated with a federal funds rate persistently outside a range of ~~4 to 8~~ ___ TO ___ percent.

Variant II

In the implementation of policy for the immediate future, the Committee seeks to DECREASE SOMEWHAT (Alt. A)/maintain (Alt. B)/INCREASE SOMEWHAT (Alt. C) the existing degree of pressure on reserve positions [THE DEGREE OF RESERVE PRESSURE SOUGHT IN RECENT WEEKS]. THIS ACTION IS EXPECTED TO BE CONSISTENT WITH GROWTH IN M2 AND M3 OVER THE PERIOD FROM MARCH THROUGH JUNE AT ANNUAL RATES OF ABOUT ___ AND ___ PERCENT, RESPECTIVELY. GROWTH IN M1 IS EXPECTED TO SLOW SUBSTANTIALLY OVER THE BALANCE OF THE SECOND QUARTER. SOMEWHAT/SLIGHTLY GREATER RESERVE RESTRAINT MIGHT/WOULD, OR SOMEWHAT/SLIGHTLY LESSER RESERVE RESTRAINT MIGHT/WOULD, BE ACCEPTABLE DEPENDING ON THE BEHAVIOR OF THE MONETARY AGGREGATES AS WELL AS DEVELOPMENTS

IN FOREIGN EXCHANGE MARKETS, WHILE ALSO TAKING ACCOUNT OF THE STRENGTH OF THE BUSINESS EXPANSION, INDICATIONS OF INFLATIONARY PRESSURES, AND CONDITIONS IN CREDIT MARKETS. ~~Somewhat greater reserve restraint might be acceptable depending on developments in foreign exchange markets, taking into account the behavior of the aggregates, the strength of the business expansion, progress against inflation, and conditions in credit markets. This approach is expected to be consistent with growth in M2 and M3 over the period from March through June at annual rates of around 6 percent or less. Growth in M1 is expected to remain substantially below its pace in 1986.~~ The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that reserve conditions during the period before the next meeting are likely to be associated with a federal funds rate persistently outside a range of ___ TO ___ percent.

Selected Interest Rates

Percent

May 18, 1987

| Period | Short-term | | | | | | | | Long-Term | | | | | | | |
|--------------|---------------|---------------------------------|---------|--------|----------------------|---------------------|--------------------------|-----------------|--|---------|---------|--------------------------------------|----------------------|-----------------------------|---------------------------|------|
| | federal funds | Treasury bills secondary market | | | CDs secondary market | comm. paper 1-month | money market mutual fund | bank prime loan | U.S. government constant maturity yields | | | corporate A utility recently offered | municipal Bond Buyer | conventional home mortgages | | |
| | | 3-month | 6-month | 1-year | 3-month | | | | 3-year | 10-year | 30-year | | | secondary market fixed-rate | primary market fixed-rate | ARM |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 1986--High | 9.55 | 7.21 | 7.30 | 7.35 | 7.94 | 7.91 | 7.21 | 9.50 | 8.60 | 9.38 | 9.52 | 10.83 | 8.72 | 10.97 | 10.99 | 9.09 |
| Low | 5.75 | 5.09 | 5.16 | 5.32 | 5.47 | 5.60 | 5.17 | 7.50 | 6.24 | 7.02 | 7.16 | 9.03 | 7.15 | 9.31 | 9.30 | 7.62 |
| 1987--High | 7.62 | 5.84 | 6.02 | 6.41 | 6.85 | 6.76 | 6.19 | 8.00 | 7.90 | 8.52 | 8.69 | 9.96 | 8.28 | 10.73 | 10.52 | 7.87 |
| Low | 5.95 | 5.33 | 5.36 | 5.40 | 5.83 | 5.88 | 5.28 | 7.50 | 6.37 | 7.03 | 7.34 | 8.79 | 6.92 | 8.97 | 9.07 | 7.47 |
| Monthly | | | | | | | | | | | | | | | | |
| 1986--May | 6.85 | 6.15 | 6.19 | 6.25 | 6.65 | 6.72 | 6.22 | 8.50 | 7.27 | 7.71 | 7.52 | 9.50 | 7.92 | 10.11 | 10.14 | 8.54 |
| June | 6.92 | 6.21 | 6.27 | 6.32 | 6.73 | 6.79 | 6.18 | 8.50 | 7.41 | 7.80 | 7.57 | 9.65 | 8.30 | 10.45 | 10.68 | 8.60 |
| July | 6.56 | 5.83 | 5.86 | 5.90 | 6.37 | 6.42 | 6.02 | 8.16 | 6.86 | 7.30 | 7.27 | 9.57 | 7.95 | 10.18 | 10.51 | 8.52 |
| Aug. | 6.17 | 5.53 | 5.55 | 5.60 | 5.92 | 6.02 | 5.74 | 7.90 | 6.49 | 7.17 | 7.33 | 9.51 | 7.59 | 9.82 | 10.20 | 8.40 |
| Sep. | 5.89 | 5.21 | 5.35 | 5.45 | 5.71 | 5.74 | 5.34 | 7.50 | 6.62 | 7.45 | 7.62 | 9.56 | 7.53 | 9.98 | 10.01 | 8.20 |
| Oct. | 5.85 | 5.18 | 5.26 | 5.41 | 5.69 | 5.74 | 5.22 | 7.50 | 6.56 | 7.43 | 7.70 | 9.48 | 7.47 | 9.82 | 9.97 | 8.06 |
| Nov. | 6.04 | 5.35 | 5.41 | 5.48 | 5.76 | 5.84 | 5.21 | 7.50 | 6.46 | 7.25 | 7.52 | 9.31 | 7.23 | 9.56 | 9.70 | 7.90 |
| Dec. | 6.91 | 5.53 | 5.55 | 5.55 | 6.04 | 6.63 | 5.45 | 7.50 | 6.43 | 7.11 | 7.37 | 9.08 | 7.23 | 9.34 | 9.31 | 7.68 |
| 1987--Jan. | 6.43 | 5.43 | 5.44 | 5.46 | 5.87 | 5.95 | 5.50 | 7.50 | 6.41 | 7.08 | 7.39 | 8.92 | 6.99 | 9.15 | 9.23 | 7.62 |
| Feb. | 6.10 | 5.59 | 5.59 | 5.63 | 6.10 | 6.12 | 5.32 | 7.50 | 6.56 | 7.25 | 7.54 | 8.82 | 7.03 | 9.04 | 9.12 | 7.56 |
| Mar. | 6.13 | 5.59 | 5.60 | 5.68 | 6.17 | 6.22 | 5.32 | 7.50 | 6.58 | 7.25 | 7.55 | 8.84 | 7.03 | 9.01 | 9.08 | 7.54 |
| Apr. | 6.37 | 5.64 | 5.90 | 6.09 | 6.52 | 6.39 | | 7.75 | 7.32 | 8.02 | 8.25 | 9.51 | 7.87 | 10.05 | 9.83 | 7.58 |
| Weekly | | | | | | | | | | | | | | | | |
| 1987--Feb. 4 | 6.22 | 5.58 | 5.57 | 5.57 | 5.94 | 6.00 | 5.31 | 7.50 | 6.51 | 7.20 | 7.50 | 8.80 | 6.98 | 9.02 | 9.11 | 7.58 |
| 11 | 6.14 | 5.73 | 5.73 | 5.67 | 6.05 | 6.11 | 5.28 | 7.50 | 6.60 | 7.27 | 7.54 | 8.88 | 7.09 | 9.09 | 9.12 | 7.57 |
| 18 | 6.21 | 5.67 | 5.69 | 5.71 | 6.23 | 6.26 | 5.34 | 7.50 | 6.62 | 7.31 | 7.60 | 8.80 | 7.05 | 9.04 | 9.14 | 7.57 |
| 25 | 5.95 | 5.44 | 5.43 | 5.56 | 6.12 | 6.09 | 5.36 | 7.50 | 6.52 | 7.22 | 7.52 | 8.79 | 7.01 | 9.02 | 9.10 | 7.52 |
| Mar. 4 | 6.06 | 5.49 | 5.48 | 5.58 | 6.10 | 6.11 | 5.34 | 7.50 | 6.51 | 7.18 | 7.48 | 8.80 | 6.92 | 9.07 | 9.08 | 7.54 |
| 11 | 6.12 | 5.63 | 5.63 | 5.69 | 6.13 | 6.16 | 5.35 | 7.50 | 6.56 | 7.22 | 7.51 | 8.83 | 7.02 | 9.01 | 9.09 | 7.55 |
| 18 | 6.08 | 5.61 | 5.59 | 5.67 | 6.16 | 6.21 | 5.39 | 7.50 | 6.54 | 7.21 | 7.51 | 8.86 | 7.08 | 8.98 | 9.08 | 7.55 |
| 25 | 6.14 | 5.56 | 5.57 | 5.66 | 6.19 | 6.25 | 5.39 | 7.50 | 6.58 | 7.24 | 7.55 | 8.91 | 7.11 | 8.99 | 9.07 | 7.53 |
| Apr. 1 | 6.21 | 5.60 | 5.70 | 5.79 | 6.28 | 6.34 | 5.44 | 7.54 | 6.77 | 7.44 | 7.75 | 9.07 | 7.26 | 9.55 | 9.26 | 7.47 |
| 8 | 6.13 | 5.50 | 5.70 | 5.77 | 6.26 | 6.21 | 5.44 | 7.75 | 6.88 | 7.59 | 7.89 | 9.33 | 7.54 | 10.08 | 9.43 | 7.52 |
| 15 | 6.41 | 5.84 | 5.99 | 6.16 | 6.56 | 6.43 | 5.45 | 7.75 | 7.32 | 8.04 | 8.25 | 9.52 | 8.28 | 10.07 | 10.27 | 7.67 |
| 22 | 6.26 | 5.51 | 5.92 | 6.14 | 6.53 | 6.39 | 5.52 | 7.75 | 7.41 | 8.17 | 8.36 | 9.96 | 8.16 | 10.51 | 10.37 | 7.66 |
| 29 | 6.50 | 5.71 | 6.02 | 6.34 | 6.71 | 6.49 | 5.51 | 7.75 | 7.72 | 8.37 | 8.57 | 9.90 | 8.13 | 10.38 | 10.47 | 7.70 |
| May 6 | 7.30 | 5.62 | 5.97 | 6.35 | 6.85 | 6.72 | 5.62 | 7.96 | 7.80 | 8.42 | 8.63 | 9.87 | 8.20 | 10.39 | 10.52 | 7.85 |
| 13 | 6.75 | 5.57 | 5.84 | 6.41 | 6.85 | 6.76 | 5.75 | 8.00 | 7.90 | 8.52 | 8.69 | 10.10 | 8.20 | 10.73 | 10.48 | 7.87 |
| Daily | | | | | | | | | | | | | | | | |
| May 8 | 6.72 | 5.53 | 5.85 | 6.35 | 6.82 | 6.75 | -- | 8.00 | 7.81 | 8.43 | 8.61 | -- | -- | -- | -- | -- |
| 14 | 6.75 | 5.73 | 5.96 | 6.55 | 6.89 | 6.80 | -- | 8.00 | 7.95 | 8.57 | 8.73 | -- | -- | -- | -- | -- |
| 15 | 6.90p | 5.95 | 6.25 | 6.78 | 6.99 | 6.83 | -- | 8.25 | 8.21p | 8.81p | 8.92p | -- | -- | -- | -- | -- |

NOTE: Weekly data for columns 1 through 11 are statement week averages. Data in column 7 are taken from Donoghue's Money Fund Report. Columns 12 and 13 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 13 is the Bond Buyer revenue index. Column 14 is the FNMA purchase yield, plus loan servicing fee, on 30-day mandatory delivery commitments on the Friday following the end of the statement week. Column 15 is the average contract rate on new commitments for fixed-rate mort-

gages (FRMs) with 80 percent loan-to-value ratios at a sample of savings and loans. Column 16 is the average initial contract rate on new commitments for one-year, adjustable-rate mortgages (ARMs) at S&Ls offering both FRMs and ARMs with the same number of discount points.

Money and Credit Aggregate Measures

Seasonally adjusted

MAY 18, 1987

| Period | Money stock measures and liquid assets | | | | | | Bank credit total loans and investments ¹ | Domestic nonfinancial debt ² | | |
|------------------------------------|--|--------|-------------------------------|------------|--------|--------|---|---|--------------------|--------------------|
| | M1 | M2 | nontransactions components | | M3 | L | | U.S. government ² | other ² | total ² |
| | | | in M2 | | | | | | | |
| | | | in M2 | in M3 only | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| PERCENT ANNUAL GROWTH: | | | | | | | | | | |
| ANNUALLY (QIV TO QIV) | | | | | | | | | | |
| 1984 | 5.4 | 7.9 | 8.6 | 23.2 | 10.7 | 12.2 | 11.2 | 16.0 | 13.4 | 13.9 |
| 1985 | 12.1 | 8.8 | 7.8 | 3.4 | 7.7 | 8.5 | 10.2 | 15.2 | 12.9 | 13.5 |
| 1986 | 15.3 | 8.9 | 6.9 | 8.3 | 8.8 | 8.1 | 9.8 | 14.5 | 12.7 | 13.1 |
| QUARTERLY AVERAGE | | | | | | | | | | |
| 2ND QTR. 1986 | 15.5 | 9.4 | 7.5 | 6.0 | 8.7 | 7.1 | 4.9 | 11.6 | 9.8 | 10.2 |
| 3RD QTR. 1986 | 16.5 | 10.6 | 8.6 | 5.7 | 9.6 | 8.0 | 10.6 | 14.5 | 11.7 | 12.3 |
| 4TH QTR. 1986 | 17.0 | 9.2 | 6.6 | 3.4 | 8.0 | 8.2 | 8.8 | 12.1 | 12.1 | 12.1 |
| 1ST QTR. 1987 | 13.0 | 6.4 | 4.1 | 7.1 | 6.5 | 6.6 | 10.1 | 10.3 | 12.3 | 11.8 |
| MONTHLY | | | | | | | | | | |
| 1986--APR. | 14.4 | 11.5 | 10.6 | 6.9 | 10.6 | 7.7 | 2.9 | 9.6 | 10.7 | 10.4 |
| MAY | 21.1 | 10.7 | 7.4 | -3.2 | 7.9 | 9.7 | 5.6 | 17.3 | 10.8 | 12.3 |
| JUNE | 14.4 | 9.2 | 7.4 | 5.9 | 8.5 | 6.3 | 5.2 | 19.3 | 9.9 | 12.1 |
| JULY | 16.4 | 11.8 | 10.3 | 6.4 | 10.7 | 7.9 | 12.2 | 14.7 | 10.4 | 11.4 |
| AUG. | 18.4 | 11.0 | 8.4 | 5.7 | 9.9 | 8.5 | 14.8 | 8.8 | 14.7 | 13.3 |
| SEPT. | 10.7 | 7.9 | 7.0 | 11.7 | 8.7 | 8.5 | 12.7 | 11.5 | 13.0 | 12.6 |
| OCT. | 14.4 | 10.7 | 9.5 | -6.8 | 7.2 | 7.7 | 3.6 | 9.4 | 10.1 | 9.9 |
| NOV. | 18.8 | 6.4 | 2.2 | 6.4 | 6.4 | 7.8 | 6.4 | 14.6 | 11.3 | 12.1 |
| DEC. | 30.5 | 10.6 | 3.7 | 9.1 | 10.3 | 9.7 | 15.0 | 19.1 | 14.2 | 15.4 |
| 1987--JAN. | 11.7 | 9.5 | 8.7 | 7.3 | 9.1 | 9.8 | 16.1 | 8.6 | 14.2 | 12.8 |
| FEB. | -0.7 | -0.2 | -0.1 | 7.1 | 1.2 | 2.6 | 0.9 | 4.6 | 9.0 | 8.0 |
| MAR. | 3.3 | 1.8 | 1.3 | 2.2 | 1.9 | -2.7 | 3.8 | 3.9 | 9.1 | 7.9 |
| APR. P | 17.9 | 5.9 | 1.7 | 5.2 | 5.8 | | 11.9 | 6.1 | 10.5 | 9.5 |
| MONTHLY LEVELS (\$BILLIONS) | | | | | | | | | | |
| 1986--DEC. | 730.5 | 2799.8 | 2069.3 | 689.1 | 3488.9 | 4140.9 | 2089.8 | 1804.8 | 5820.8 | 7625.6 |
| 1987--JAN. | 737.6 | 2822.0 | 2084.3 | 693.3 | 3515.3 | 4174.7 | 2118.3 | 1817.8 | 5889.5 | 7707.2 |
| FEB. | 737.2 | 2821.5 | 2084.2 | 697.4 | 3518.9 | 4183.9 | 2119.7 | 1824.7 | 5933.9 | 7758.7 |
| MAR. | 739.2 | 2825.7 | 2086.4 | 698.7 | 3524.4 | 4174.4 | 2126.2 | 1830.7 | 5978.9 | 7809.6 |
| APR. P | 750.2 | 2839.6 | 2089.4 | 701.7 | 3541.3 | | 2147.2 | 1840.0 | 6031.2 | 7871.2 |
| WEEKLY LEVELS (\$BILLIONS) | | | | | | | | | | |
| 1987--APR. 6 | 740.0 | | | | | | | | | |
| 13 | 742.3 | | | | | | | | | |
| 20 | 756.7 | | | | | | | | | |
| 27 P | 758.1 | | | | | | | | | |
| MAY 4 P | 748.8 | | | | | | | | | |

1/ ANNUAL RATES FOR BANK CREDIT ARE ADJUSTED FOR A TRANSFER OF LOANS FROM CONTINENTAL ILLINOIS NATIONAL BANK TO THE FDIC BEGINNING SEPTEMBER 26, 1984.

2/ DEBT DATA ARE ON A MONTHLY AVERAGE BASIS, DERIVED BY AVERAGING END-OF-MONTH LEVELS OF ADJACENT MONTHS, AND HAVE BEEN ADJUSTED TO REMOVE DISCONTINUITIES.
P-PRELIMINARY

Components of Money Stock and Related Measures

Billions of dollars, seasonally adjusted unless otherwise noted

MAY 18, 1987

| Period | Currency | Demand deposits | Other checkable deposits | Overnight RPs and Eurodollars NSA | MMDAs NSA | Savings deposits | Small denomination time deposits ¹ | Money market mutual funds, NSA | | Large denomination time deposits ³ | Term RPs NSA | Term Eurodollars NSA | Savings bonds | Short-term Treasury securities | Commercial paper | Bankers acceptances |
|----------------------------|----------|-----------------|--------------------------|-----------------------------------|-----------|------------------|---|---|-------------------|---|--------------|----------------------|---------------|--------------------------------|------------------|---------------------|
| | | | | | | | | general purpose, and broker/dealer ² | Institutions only | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| ANNUALLY (4TH QTR): | | | | | | | | | | | | | | | | |
| 1984 | 157.8 | 246.6 | 143.9 | 56.1 | 405.4 | 290.5 | 880.0 | 161.7 | 57.7 | 413.6 | 65.3 | 81.7 | 73.9 | 267.3 | 161.2 | 45.7 |
| 1985 | 169.7 | 268.6 | 175.9 | 67.2 | 509.2 | 301.9 | 880.3 | 176.6 | 64.7 | 433.3 | 63.0 | 77.6 | 78.9 | 295.7 | 201.7 | 43.2 |
| 1986 | 182.4 | 299.8 | 226.2 | 77.1 | 568.1 | 358.4 | 858.4 | 207.2 | 84.3 | 446.2 | 80.8 | 79.4 | 89.7 | 290.5 | 229.0 | 37.7 |
| MONTHLY | | | | | | | | | | | | | | | | |
| 1986-APR. | 174.4 | 277.7 | 189.9 | 68.1 | 526.1 | 311.1 | 893.1 | 191.4 | 74.1 | 451.3 | 71.5 | 81.4 | 81.9 | 298.5 | 206.1 | 40.6 |
| MAY | 175.8 | 282.2 | 195.5 | 68.9 | 531.6 | 316.8 | 888.0 | 193.2 | 76.1 | 447.6 | 74.1 | 79.7 | 82.7 | 304.0 | 210.7 | 39.8 |
| JUNE | 176.7 | 285.0 | 199.6 | 66.3 | 541.0 | 321.8 | 883.0 | 197.3 | 75.0 | 447.6 | 75.1 | 80.0 | 83.5 | 298.3 | 212.6 | 39.8 |
| JULY | 177.6 | 288.2 | 204.5 | 71.9 | 546.6 | 327.4 | 880.9 | 199.7 | 77.5 | 448.3 | 74.4 | 78.2 | 84.3 | 292.6 | 214.5 | 39.0 |
| AUG. | 179.0 | 291.2 | 210.4 | 74.7 | 553.6 | 334.6 | 876.7 | 200.5 | 80.8 | 449.4 | 75.2 | 77.2 | 85.3 | 288.7 | 219.7 | 37.3 |
| SEPT. | 179.7 | 292.2 | 214.7 | 72.7 | 558.8 | 341.4 | 872.2 | 202.2 | 84.4 | 448.5 | 77.9 | 79.9 | 86.4 | 287.9 | 223.9 | 36.9 |
| OCT. | 181.2 | 293.4 | 220.4 | 77.4 | 564.4 | 350.4 | 868.7 | 206.9 | 84.5 | 445.7 | 78.0 | 76.6 | 87.7 | 286.7 | 228.4 | 37.7 |
| NOV. | 182.4 | 297.8 | 225.9 | 76.7 | 568.7 | 358.5 | 857.1 | 207.1 | 84.4 | 445.9 | 82.4 | 78.4 | 89.8 | 292.2 | 228.4 | 38.0 |
| DEC. | 183.5 | 308.3 | 232.3 | 77.3 | 571.3 | 366.2 | 853.3 | 207.6 | 84.1 | 447.0 | 82.0 | 83.2 | 91.7 | 292.5 | 230.2 | 37.5 |
| 1987-JAN. | 186.0 | 305.1 | 240.1 | 83.8 | 574.2 | 376.7 | 851.2 | 209.0 | 84.0 | 449.6 | 80.6 | 86.2 | 92.7 | 289.2 | 239.7 | 37.8 |
| FEB. | 187.2 | 300.7 | 242.7 | 79.8 | 570.6 | 387.2 | 847.6 | 210.7 | 84.7 | 448.0 | 83.2 | 89.9 | 93.5 | 292.5 | 239.8 | 39.3 |
| MAR. | 187.8 | 299.1 | 245.5 | 77.2 | 570.3 | 396.4 | 845.3 | 211.6 | 84.9 | 450.0 | 82.1 | 91.4 | 94.3 | 276.2 | 239.5 | 40.0 |
| APR. P | 188.9 | 303.9 | 250.6 | 77.1 | 565.3 | 406.2 | 842.6 | 211.8 | 83.1 | 454.6 | 87.6 | 88.3 | | | | |

1/ INCLUDES RETAIL REPURCHASE AGREEMENTS. ALL IRA AND KEOGH ACCOUNTS AT COMMERCIAL BANKS AND THRIFT INSTITUTIONS ARE SUBTRACTED FROM SMALL TIME DEPOSITS.

2/ EXCLUDES IRA AND KEOGH ACCOUNTS.

3/ NET OF LARGE DENOMINATION TIME DEPOSITS HELD BY MONEY MARKET MUTUAL FUNDS AND THRIFT INSTITUTIONS.

P-PRELIMINARY

Net Changes in System Holdings of Securities¹

Millions of dollars, not seasonally adjusted

May 18, 1987

| Period | Treasury bills net change ² | Treasury coupons net purchases ³ | | | | | Federal agencies net purchases ⁴ | | | | | Net change outright holdings total ⁵ | Net RPs ⁶ |
|--------------------------------|--|---|-------|------|---------|-------|---|-----|------|---------|-------|---|----------------------|
| | | within 1-year | 1-5 | 5-10 | over 10 | total | within 1-year | 1-5 | 5-10 | over 10 | total | | |
| 1980 | -3,052 | 912 | 2,138 | 703 | 811 | 4,564 | 217 | 398 | 29 | 24 | 668 | 2,035 | 2,462 |
| 1981 | 5,337 | 294 | 1,702 | 393 | 379 | 2,768 | 133 | 360 | -- | -- | 494 | 8,491 | 684 |
| 1982 | 5,698 | 312 | 1,794 | 388 | 307 | 2,803 | -- | -- | -- | -- | -- | 8,312 | 1,461 |
| 1983 | 13,068 | 484 | 1,896 | 890 | 383 | 3,653 | -- | -- | -- | -- | -- | 16,342 | -5,445 |
| 1984 | 3,779 | 826 | 1,938 | 236 | 441 | 3,440 | -- | -- | -- | -- | -- | 6,964 | 1,450 |
| 1985 | 14,596 | 1,349 | 2,185 | 358 | 293 | 4,185 | -- | -- | -- | -- | -- | 18,619 | 3,001 |
| 1986 | 19,099 | 190 | 893 | 236 | 158 | 1,476 | -- | -- | -- | -- | -- | 20,178 | 10,033 |
| 1986--QTR. I | -2,821 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -2,861 | -3,580 |
| II | 7,585 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 7,535 | -356 |
| III | 4,668 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4,577 | 4,044 |
| IV | 9,668 | 190 | 893 | 236 | 158 | 1,476 | -- | -- | -- | -- | -- | 10,927 | 9,925 |
| 1987--QTR. I | -2,714 | -- | -252 | -- | -- | -252 | -- | -- | -- | -- | -- | -3,076 | -14,254 |
| 1986--Oct. | 928 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 835 | -3,493 |
| Nov. | 3,318 | 190 | 893 | 236 | 58 | 476 | -- | -- | -- | -- | -- | 4,670 | 1,852 |
| Dec. | 5,422 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5,422 | 11,566 |
| 1987--Jan. | 414 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 304 | -10,701 |
| Feb. | -4,189 | -- | -252 | -- | -- | -252 | -- | -- | -- | -- | -- | -4,441 | -4,723 |
| Mar. | 1,062 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1,062 | 1,170 |
| Apr. | 3,573 | 1,232 | 3,642 | 914 | 669 | 6,457 | -- | -- | -- | -- | -- | 9,993 | 15,801 |
| Feb. 4 | -704 | -- | -2 | -- | -- | -2 | -- | -- | -- | -- | -- | -707 | -6,611 |
| 11 | -3,538 | -- | -250 | -- | -- | -250 | -- | -- | -- | -- | -- | -3,788 | 92 |
| 18 | -629 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -629 | 1,802 |
| 25 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -5,252 |
| Mar. 4 | 305 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 305 | 4,110 |
| 11 | 200 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 200 | 5,155 |
| 18 | 153 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 153 | -5,445 |
| 25 | 168 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 168 | -145 |
| Apr. 1 | 348 | 465 | 1,244 | 290 | 196 | 2,195 | -- | -- | -- | -- | -- | 2,542 | -73 |
| 8 | 313 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 308 | 8,914 |
| 15 | 1,422 | 378 | 1,135 | 318 | 247 | 2,078 | -- | -- | -- | -- | -- | 3,500 | -5,341 |
| 22 | 1,308 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1,276 | 6,616 |
| 29 | 153 | 389 | 1,263 | 307 | 227 | 2,186 | -- | -- | -- | -- | -- | 2,338 | 1,915 |
| May 6 | 1,427 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1,427 | 975 |
| 13 | 446 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 446 | 78 |
| LEVEL--May 13 (\$ billions) | 105.8 | 18.4 | 41.2 | 16.5 | 23.9 | 100.1 | 2.4 | 3.7 | 1.3 | .3 | 7.7 | 218.7 | 8.5 |

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 the net purchase of securities, also reflects changes in System holdings of bankers' acceptances, direct Treasury borrowing from the System and redemptions (-) of agency and Treasury coupon issues

6 Includes changes in RPs (+), matched sale purchase transactions (-), and matched purchase sale transactions (+)