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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

October 17, 1975

MONETARY AGGREGATES AND  
MONEY MARKET CONDITIONS

Recent developments

(1)  $M_1$  grew at about a 2 per cent annual rate in September, and further weakness in recent data now suggest some net contraction for October. As a result  $M_1$  is projected to decline slightly on average over the two-month target period--falling substantially below the lower end of the Committee's range of tolerance, as shown in the table. The weakness in  $M_1$  and a further slowing of growth in consumer-type time deposits in September have reduced the expected two-month growth rate for  $M_2$  to a 4.3 per cent annual rate, also well below its range of tolerance.

Growth in Monetary Aggregates and RPD's  
over September-October Period

<u>Reserve and monetary aggregates (Growth at SAAR in per cent)</u>	<u>Ranges of Tolerance</u>	<u>Latest Estimates</u>
$M_1$	5 to 8	-0.4
$M_2$	7 to 9½	4.3
RPD	1 to 4	-2.1

Memo:

Federal funds rate  
(per cent per annum)

5¾ to 7<sup>1/2</sup>

Avg. for statement  
week ending

Sept. 17	6.28
24	6.29
Oct. 1	6.36
8	6.06
15	5.82

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1/ A majority of the Committee members concurred in the Chairman's recommendation of October 2 to reduce the lower end of the funds rate range from 6 to 5¾ per cent.

(2) Business loans at banks and commercial paper issued by nonfinancial corporations both declined in September, as high corporate liquidity reduced the need for external financing. Even so, the outstanding volume of large negotiable bank CD's expanded appreciably for the first time since January. This unexpected CD growth was concentrated among a few money center banks and seems to have represented an effort to improve their liquidity positions in preparation for possible adverse market reactions stemming from the continuing financial problems of New York and recent publicity highlighting loan losses at banks. As a result of the CD expansion, and of a larger than projected rise in Government deposits, the bank credit proxy appears to be expanding at about a  $5\frac{1}{2}$  per cent annual rate in the September-October period.

(3) In the initial statement week after the September FOMC meeting, the Desk sought reserve conditions consistent with a Federal funds rate trading in a  $6\frac{1}{2}$ - $6\frac{1}{2}$  per cent range. On October 2, incoming data suggested that growth in the monetary aggregates was running below the Committee's ranges of tolerance, and conditions in the municipal market were becoming increasingly unsettled. Accordingly, the Chairman recommended and the Committee concurred in a strategy calling for the Manager to lower the Federal funds rate to  $6-1/8$  per cent immediately, and then to reduce it further over the following few days to 6 per cent. The Committee also agreed to reduce the lower limit of its funds rate constraint to  $5\frac{3}{4}$  per cent, in order to provide leeway for further reserve provision in the event that signs of continuing weakness in the monetary aggregates were confirmed by additional data. In the statement week ending October 8, the funds rate averaged

6.06 per cent. Since then--with additional data confirming weakness in the aggregates--the rate has averaged around 5.80 per cent. On October 15, the Board of Governors announced a cut in reserve requirements on longer-maturity time deposits--which had the effect of releasing about \$350 million of reserves to banks in the week beginning October 30.

(4) Short-term interest rates have declined significantly since early October in response to the evidence of weaker growth in the monetary aggregates, the decline in the Federal funds rate, and the cut in bank reserve requirements. As a result, most short-term rates are now 40 to 70 basis points below the levels that prevailed at the time of the September FOMC meeting. The 3-month Treasury bill has traded most recently at around 5.90 per cent, its lowest level since late June.

(5) Recent declines in short rates have contributed to a general strengthening of markets for longer-term securities as well. Yield reductions have been largest on Treasury notes and bonds--ranging to as much as 50 basis points. In the municipal market, developments surrounding the New York financial crisis have continued to dominate. The atmosphere has improved somewhat in response to the general easing in market conditions. On October 17, New York City managed to roll over its debt maturities, but there is still no demand for such issues from the general public.

(6) Combined deposit growth at savings and loan associations and mutual savings banks slowed to an annual rate of  $11\frac{1}{2}$  per cent during September. At S&L's the slower deposit flows, taken in conjunction with the large volume of new mortgage commitments made during August, reportedly

led to more cautious lending policies in September. This is suggested by recent data which show no further increase in commitments for September and an increase of 10-15 basis points in the average interest rate on conventional mortgages over the past five weeks.

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

	Calendar Year	Twelve Months	Past Six Months	Past Three Months	Past Month
	1974	Sept. '75 over Sept. '74	Sept. '75 over Mar. '75	Sept. '75 over June '75	Sept. '75 over Aug. '75
Total reserves	8.5	-1.4	-0.5	-2.2	4.0
Nonborrowed reserves	10.7	7.5	-2.1	-4.1	-2.4
Reserves available to support private nonbank deposits	8.9	-1.5	-1.0	-2.5	0.7
<u>Concepts of Money</u>					
M <sub>1</sub> (currency plus demand deposits) <u>1/</u>	4.8	5.0	6.8	2.3	2.0
M <sub>2</sub> (M <sub>1</sub> plus time deposits at commercial banks other than large CD's)	7.2	8.8	10.0	6.4	5.0
M <sub>3</sub> (M <sub>2</sub> plus deposits at thrift institutions)	6.8	11.0	12.9	9.8	7.4
M <sub>4</sub> (M <sub>2</sub> plus CD's)	10.6	6.9	5.8	3.0	6.2
M <sub>5</sub> (M <sub>3</sub> plus CD's)	9.0	9.5	9.9	7.3	8.1
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	10.2	3.4	3.1	-1.3	6.9
Loans and investments of commercial banks <u>2/</u>	9.2	2.6	3.6	4.8	2.2
<u>Short-term Market Paper</u>					
(Monthly average change in billions)					
Large CD's	2.2	-.5	-1.8	-1.7	1.1
Nonbank commercial paper	.4	--	-.3	-.1	-1.0

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

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

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

Prospective developments

(8) Shown below for Committee consideration are alternative longer-run growth ranges in the monetary aggregates. The one-year span has been moved forward one quarter to cover the period from the third quarter of 1975 to the third quarter of 1976. The FOMC's current longer-run growth ranges for the period between the second quarters of 1975 and 1976 are also shown for comparative purposes.<sup>1/</sup>

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Current</u>
M <sub>1</sub>	6-8½	5-7½	4-6½	5-7½
M <sub>2</sub>	8-10	6-8	4½-6½	8½-10½
M <sub>3</sub>	8-10	6½-8½	5-7	10-12
Bank credit proxy	5-8	4-7	2½-5½	6½-9½

(9) Of the longer-run alternatives, B encompasses the same growth range as adopted in June for M<sub>1</sub>. Growth rates for M<sub>2</sub> and M<sub>3</sub> are lower, however, because slower growth in time and savings deposits is now anticipated, given recent experience and the expectation that market interest rates will again be under upward pressure late this year and early next year.

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<sup>1/</sup> Since M<sub>1</sub> grew at a 6.9 per cent annual rate from the second to third quarters of 1975, the new proposed long-run rates of growth are calculated from a base level that incorporates a rate of expansion slightly above the mid-point of the Committee's current longer-run range. While achievement of a 6½ per cent growth rate over the next four quarters would not include any adjustment for the higher rate of expansion in the third quarter, the problem in this instance would not appear to be of any real quantitative significance. For example, under alternative B the implied growth rate from QII '75 to QII '76 for M<sub>1</sub> (the Committee's previous target period) would be no more than about 6.4 per cent--well within the Committee's range.



(10) Shorter-run alternatives for monetary aggregates and the Federal funds rate are summarized below:

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
<u>Ranges of tolerance for October-November</u>			
M <sub>1</sub>	3½ to 5½	3 to 5	2 to 4
M <sub>2</sub>	6½ to 8½	5½ to 7½	4½ to 6½
RPD	1½ to 3½	0 to 2	-1½ to ½
Federal funds rate (intermeeting range)	5 to 6	5¼ to 6¼	5¾ to 6¾

These alternatives can be viewed as first stages that are loosely related to attainment of the corresponding longer-run growth paths. Appendix Table IV shows quarterly average Federal funds rates that the staff currently believes likely to evolve over the next four quarters in attaining longer-run monetary objectives. In general, all the alternatives involve rising Federal funds rates as the period progresses, given the continued expansion projected for GNP.

(11) The staff still believes that growth in M<sub>1</sub> will soon resume. We are now projecting growth over the latter part of October and continuing through winter, in view of the strong further expansion in nominal GNP, and hence in transactions needs for money, forecast by the staff. Since the early October level of M<sub>1</sub> is so low, however, this growth would not be reflected in the monthly averages until November. Given current money market conditions, as under alternative B, the staff expects M<sub>1</sub> to expand at more than a 10 per cent annual rate in November. But since the level of M<sub>1</sub> is expected to decline,

Alternative Levels and Growth Rates for Key Monetary Aggregates

	<u>M<sub>1</sub></u>			<u>M<sub>2</sub></u>			<u>M<sub>3</sub></u>		
	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975 September	294.7	294.7	294.7	656.4	656.4	656.4	1070.8	1070.8	1070.8
October	294.1	294.0	293.9	658.6	658.4	658.2	1076.4	1076.0	1075.5
November	296.9	296.6	296.1	664.8	663.4	662.3	1085.0	1082.8	1080.9
1975 QIII	294.1	294.1	294.1	653.5	653.5	653.5	1063.6	1063.6	1063.6
QIV	296.8	296.4	296.0	664.6	663.4	662.2	1084.9	1082.8	1080.8
1976 QI	303.5	302.2	300.9	680.0	676.6	673.1	1110.1	1103.1	1097.3
QII	310.1	307.5	305.3	695.5	688.8	682.7	1135.2	1124.0	1112.9
QIII	316.1	312.2	308.5	710.7	700.1	690.1	1159.3	1142.6	1125.0
<u>Growth Rates</u>									
Monthly:									
1975 October	-2.4	-2.9	-3.3	4.0	3.7	3.3	6.3	5.8	5.5
November	11.4	10.6	9.0	11.3	9.1	7.5	9.6	7.6	5.8
Quarterly Average:									
1975 QIV	3.7	3.1	2.6	6.8	6.1	5.3	8.0	7.2	6.5
1976 QI	9.0	7.8	6.6	9.3	8.0	6.6	9.3	7.7	6.1
QII	8.7	7.0	5.8	9.1	7.2	5.7	9.0	7.4	5.7
QIII	7.7	6.1	4.2	8.7	6.6	4.3	8.5	6.6	4.3
QIII '75-QI '76	6.4	5.5	4.6	8.1	7.1	6.0	8.7	7.4	6.3
QI '76-QIII '76	8.3	6.6	5.1	9.0	6.9	5.1	8.9	7.2	5.0
QIII '75-QIII '76	7.5	6.2	4.9	8.8	7.1	5.6	9.0	7.4	5.8

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

	<u>M<sub>4</sub></u>			<u>M<sub>5</sub></u>			<u>Credit Proxy</u>		
	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975 September	735.5	735.5	735.5	1149.9	1149.9	1149.9	505.9	505.9	505.9
October	740.6	740.3	740.2	1158.3	1157.9	1157.6	507.8	507.6	507.6
November	746.8	745.5	744.6	1166.9	1164.8	1163.1	511.7	510.8	510.3
1975 QIII	733.3	733.3	733.3	1143.4	1143.4	1143.4	504.7	504.7	504.7
QIV	746.7	745.6	744.6	1166.9	1165.0	1163.1	511.2	510.5	509.9
1976 QI	763.6	760.7	757.5	1193.7	1187.8	1181.7	521.8	519.9	517.8
QII	780.6	774.8	769.3	1220.4	1210.1	1199.6	529.5	525.9	522.3
QIII	797.3	788.3	779.5	1245.9	1230.8	1214.4	537.1	531.5	525.9
<u>Growth Rates</u>									
Monthly:									
1975 October	8.3	7.8	7.7	8.8	8.3	8.0	4.5	4.0	4.0
November	10.0	8.4	7.1	8.9	7.2	5.7	9.2	7.6	6.4
Quarterly Averages:									
1975 QIV	7.3	6.7	6.2	8.2	7.6	6.9	5.2	4.6	4.1
1976 QI	9.1	8.1	6.9	9.2	7.8	6.4	8.3	7.4	6.2
QII	8.9	7.4	6.2	8.9	7.5	6.1	5.9	4.6	3.5
QIII	8.6	7.0	5.3	8.4	6.8	4.9	5.7	4.3	2.8
QIII '75-QI '76	8.3	7.5	6.6	8.8	7.8	6.7	6.8	6.0	5.2
QI '76-QIII '76	8.8	7.3	5.8	8.7	7.2	5.5	5.9	4.5	3.1
QIII '75-QIII '76	8.7	7.5	6.3	9.0	7.6	6.2	6.4	5.3	4.2

on average, in October, the two month October-November growth rate would be relatively low--in a 3-5 per cent annual rate range under alternative B.

(12) Alternative B involves a Federal funds rate range centered around the recently prevailing  $5\frac{3}{8}$  per cent rate. Yields in short- and long-term markets (other than the mortgage market) have declined recently in response to the easing of the money market, and little further decline is likely in the period immediately ahead, assuming the funds rate remains around  $5\frac{3}{8}$  per cent. The 3-month bill is likely to trade around 6 per cent and 3-month commercial paper may be around  $6\text{-}3\frac{1}{8}$  per cent. Bond yields could decline somewhat further if there should be a breakthrough in resolving New York's financing problem or if the volume of corporate bond offerings drops further. However, the Treasury will announce its mid-November refunding on October 22. While the refunding is a small one--involving only about \$2.4 billion of maturing publicly-held issues--the Treasury may offer mainly longer-term issues in the financing and is expected to raise a modest amount of new cash at the same time.

(13) Given at least maintenance of the recent lower level of market rates, time deposit experience at banks and thrift institutions should improve somewhat as compared with the recent past. However, over the longer-run, with upward interest rate pressures still anticipated, the staff believes that institutional savings flows will come under renewed pressure, and we have assumed an increase in Regulation Q ceilings in the first quarter of next year.

(14) A slight easing of the money market, as is contemplated by the mid-point of the 5-6 per cent Federal funds rate range shown for alternative A, might be accompanied by some further declines in market interest rates. These declines probably would not be particularly large since many market participants may still expect rates to turn around later. Such an expectation would be reinforced to the extent that incoming business news continues to be good. A larger decline in the funds rate to around the 5 per cent bottom of the alternative A range would of course trigger more substantial interest rate declines as the market's assessment of future monetary policy and possibly also the business outlook changes.

(15) The staff expects that interest rate declines under alternative A would facilitate attainment of higher longer-run growth rates for the monetary aggregates--typified by  $M_1$  growth over the next year in a 6-8½ per cent range. The effect on money demands of these initial declines in interest rates are likely to be quite substantial, however, especially when considered in conjunction with expansion over the longer-run of transactions demands. Thus, the Federal funds rate under this alternative probably would have to begin rising again late in the year to keep money growth around the mid-point of the higher range.

(16) Alternative C involves a Federal funds rate range over the next four weeks centered on 6¼ per cent. This would return the rate to where it was at about the time of the previous Committee meeting. Such an immediate rise in the funds rate appears most consistent with adoption by the Committee

of lower longer-run rates of growth in the monetary aggregates, indexed by  $M_1$  expansion over the year ahead in a 4-6½ per cent range. Also such a rise in the funds rate would not be inconsistent with the longer-run growth rates of alternative B. An immediate increase in the funds rate would retard money growth over the near term, but would imply somewhat less of a rise in the Federal funds rate over the next year than shown for alternative B in appendix Table IV.

(17) A rebound in the funds rate to around 6½ per cent would exert significant general upward pressure on interest rates, since it would be contrary to current market expectations. Yields on Treasury securities would probably be particularly affected given the imminent quarterly Treasury refunding and the continuing sizable volume of Federal deficit financing. In these circumstances, savings inflows to depository institutions could, of course, be expected to deteriorate.

Proposed directive

(18) Presented below are three alternative formulations for the operational paragraph of the directive, which are intended to correspond to the similarly lettered policy alternatives discussed in the preceding section. No reference to the forthcoming Treasury financing is proposed because the quarterly financing to be announced on October 22 is relatively small and because Treasury financings have been and for some time will continue to be frequent.

Alternative A

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

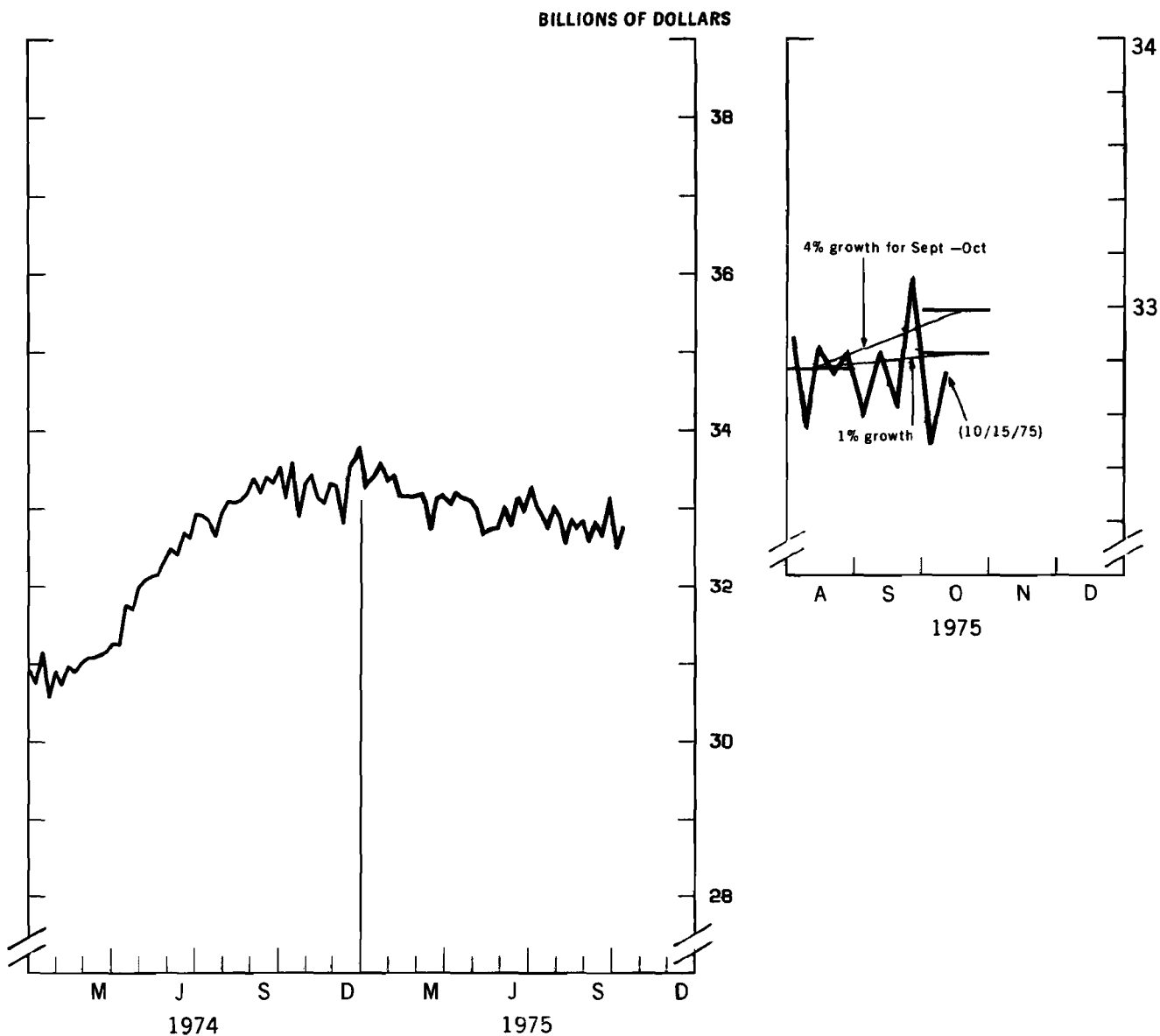
Alternative B

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

Alternative C

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

# RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS



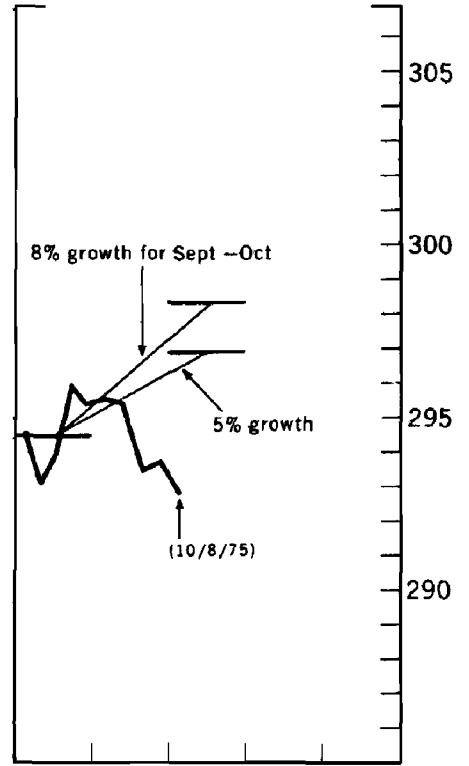
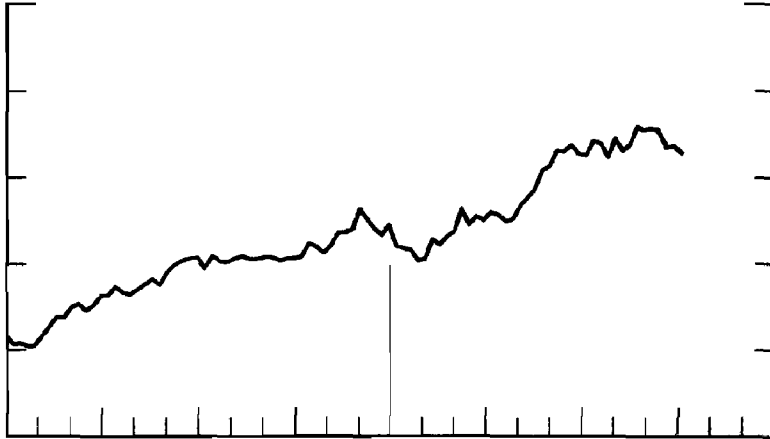
RPD series has been adjusted to remove discontinuities associated with changes in reserve requirement ratios



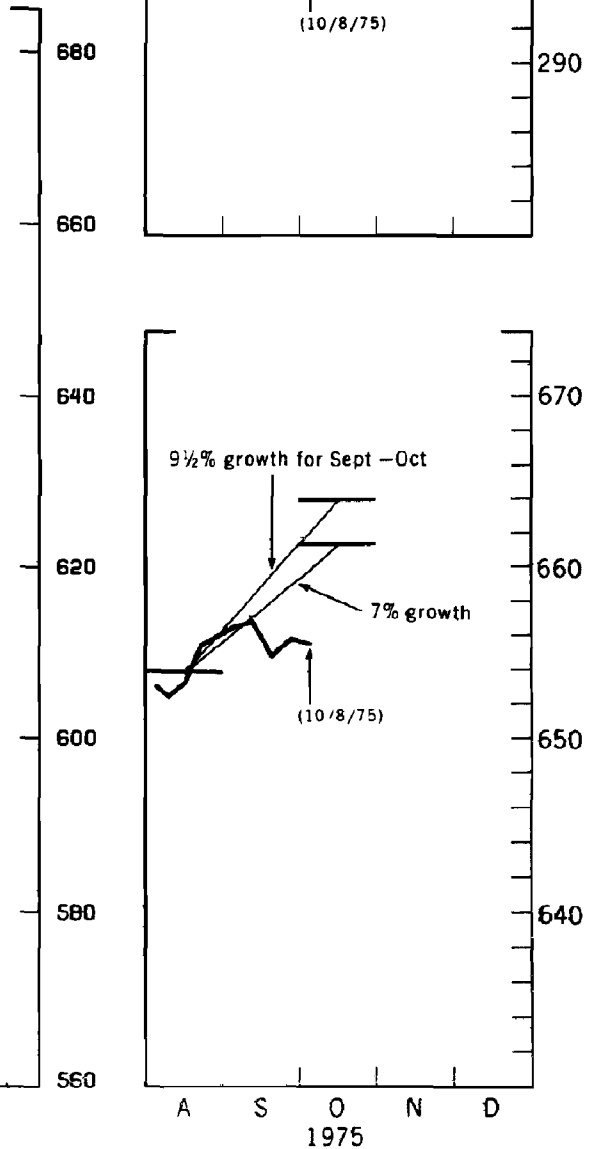
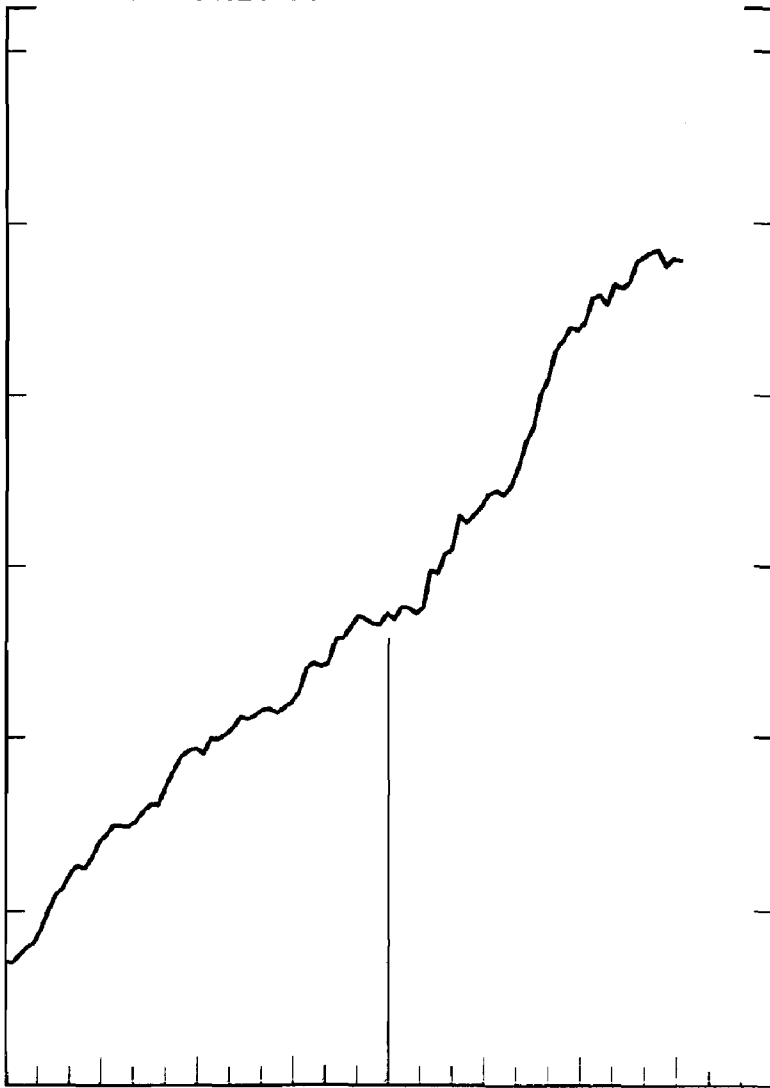
# MONETARY AGGREGATES

### NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS



### BROADER MONEY SUPPLY M2



1974

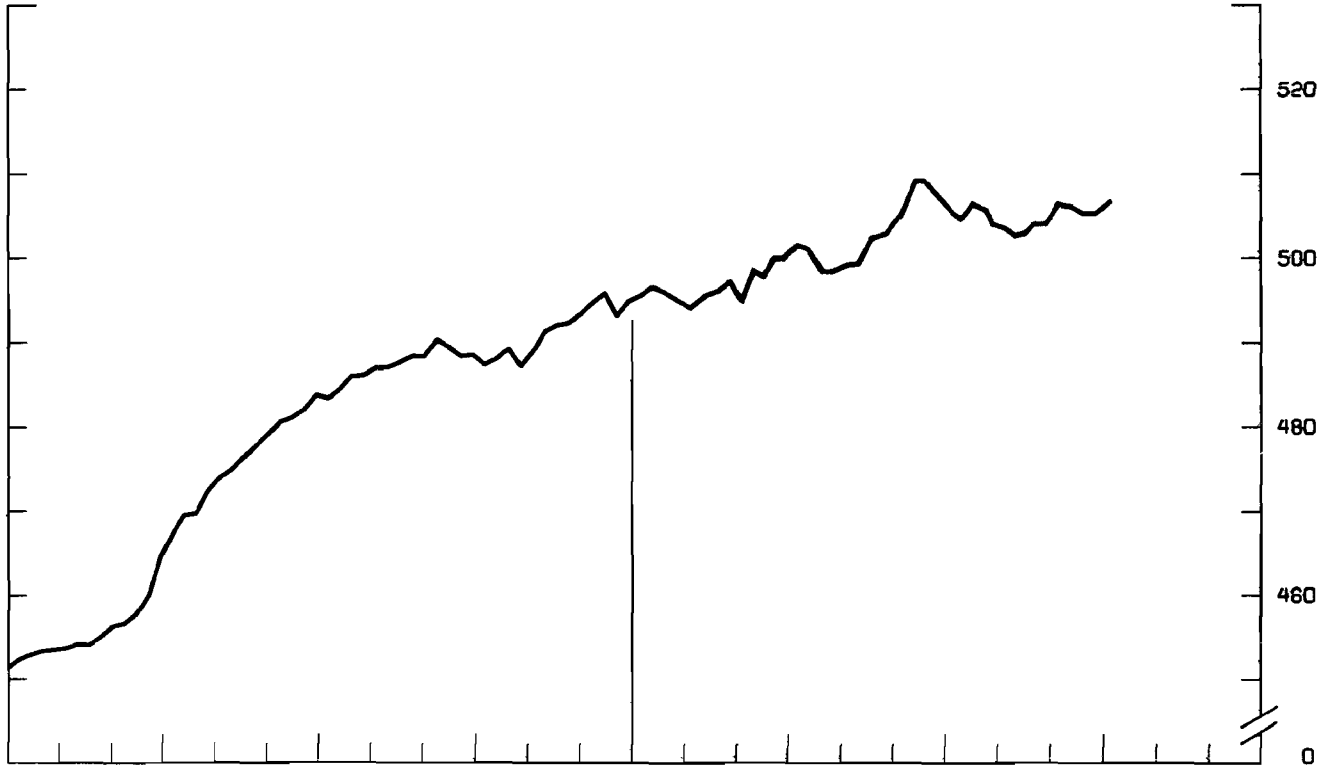
1975

A S O N D  
1975

# MONETARY AGGREGATES

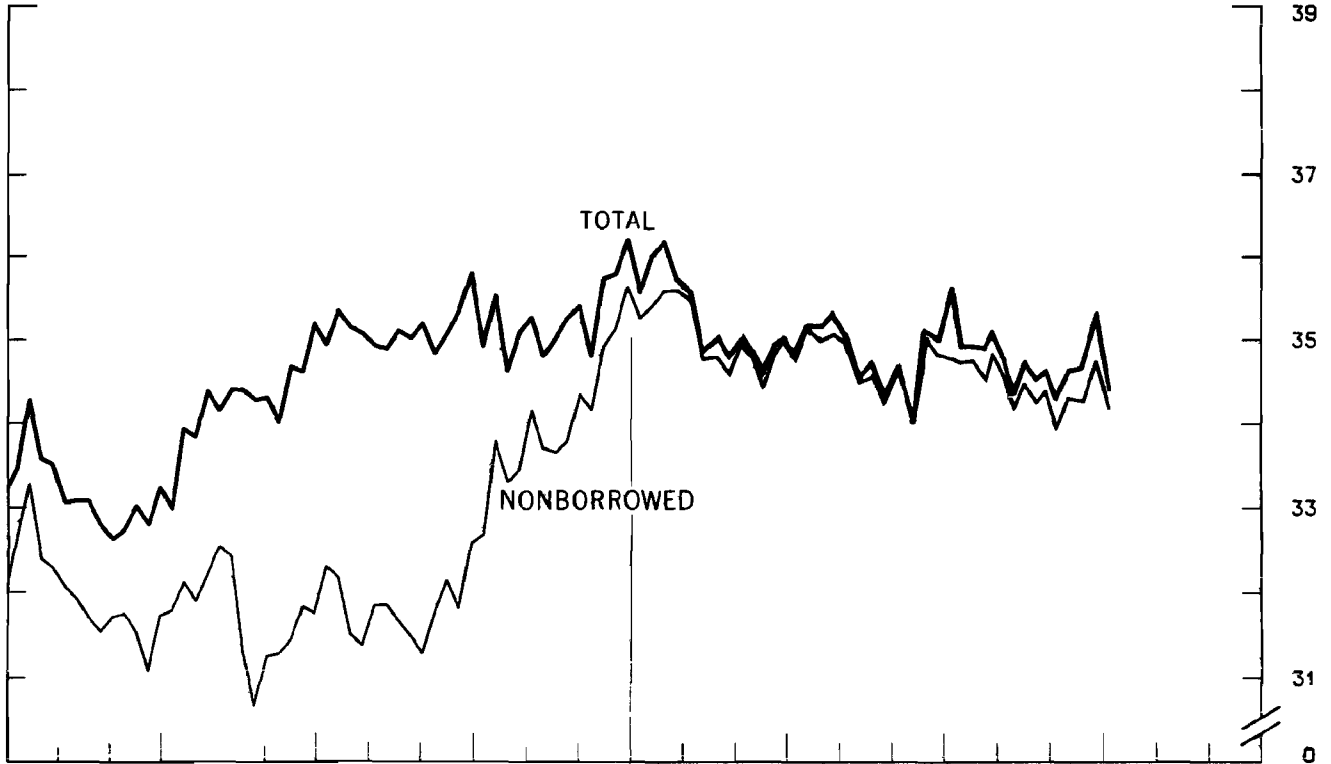
ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



RESERVES

BILLIONS OF DOLLARS



1974

1975

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

# MONEY MARKET CONDITIONS AND INTEREST RATES

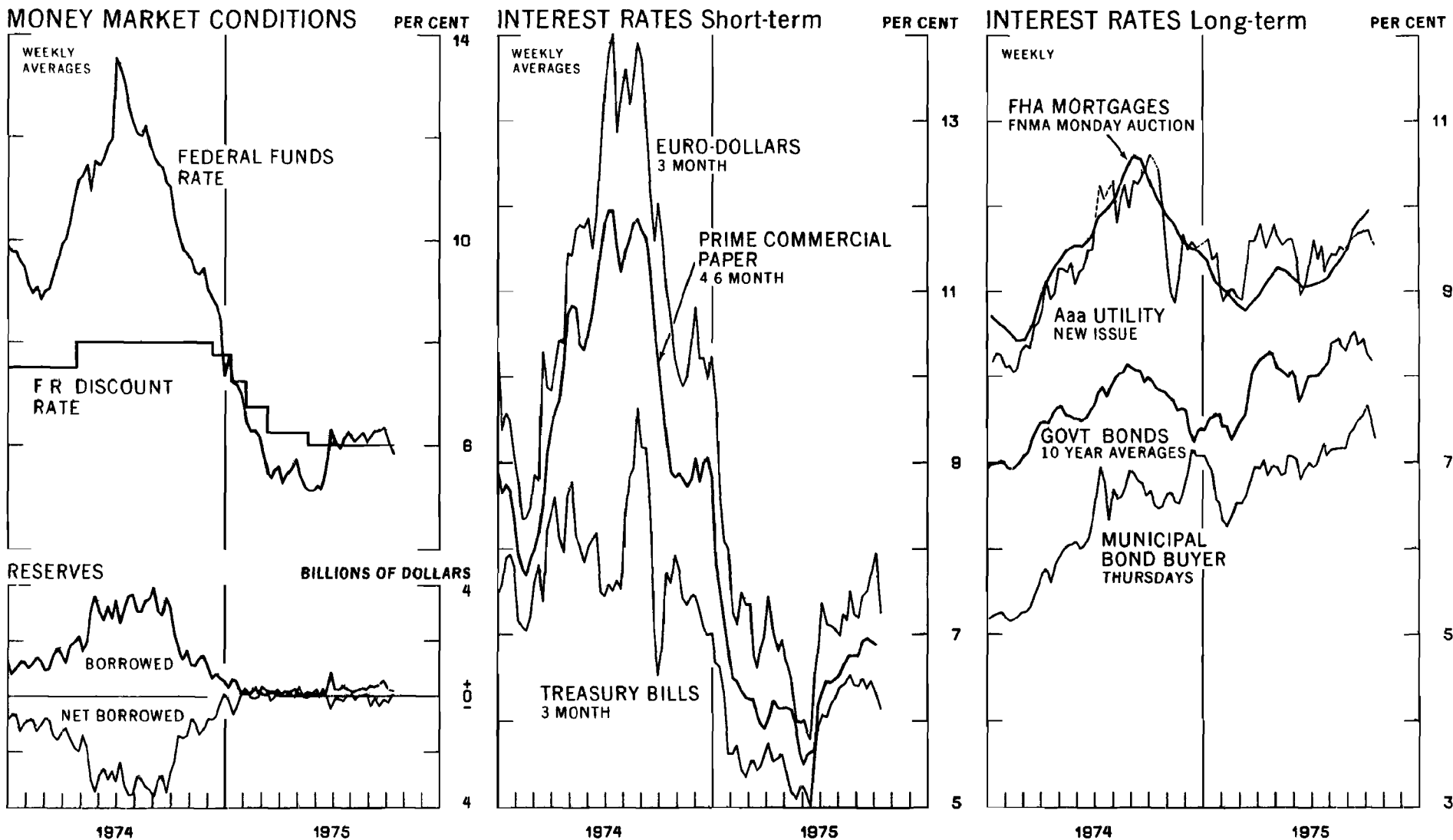


TABLE 1  
**BANK RESERVES**  
(ACTUAL AND CURRENT PROJECTIONS)

Period	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES				
			Total Reserves	Nonborrowed Reserves	SEASONALLY ADJUSTED				
	SA	NSA			Total Required	Private Demand	Other Time Deposits	CD's and Nondeposits	Gov't. and Interbank
	1	2	3	4	5	6	7	8	9
<b>MONTHLY LEVELS--\$MILLIONS</b>									
-----									
1975--JULY	32,938	32,812	34,991	34,690	34,803	19,847	8,613	4,290	2,053
AUG.	32,769	32,521	34,567	34,355	34,371	19,796	8,699	4,079	1,798
SEPT.	32,787	32,602	34,682	34,286	34,490	19,870	8,747	3,978	1,895
OCT.	(32,657)	(32,559)	(34,589)	(34,413)	(34,425)	(19,611)	( 8,743)	( 4,140)	( 1,932)
<b>PERCENT ANNUAL GROWTH</b>									
-----									
<b>QUARTERLY</b>									
-----									
1975--1ST QTR.	-4.7		-8.3	-1.4	-7.7	-4.2	-7.6		
2ND QTR.	0.5		1.2	-0.2	1.2	11.7	-9.2		
3RD QTR.	-2.5		-2.2	-4.1	-2.1	1.4	3.8		
<b>QUARTERLY-AV</b>									
-----									
1975--1ST QTR.	-1.4		-0.9	11.5	-0.7	-3.3	-0.1		
2ND QTR.	-2.5		-3.7	-2.8	-3.6	8.0	-12.0		
3RD QTR.	-1.1		-0.8	-2.7	-1.0	5.7	-1.8		
<b>MONTHLY</b>									
-----									
1975--JULY	-2.1		4.1	1.6	4.6	2.9	-7.2		
AUG.	-6.2		-14.5	-11.6	-14.9	-3.1	12.0		
SEPT.	0.7		4.0	-2.4	4.2	4.5	6.6		
OCT.	( -4.8)		( -3.2)	( 4.4)	( -2.3)	( -15.6)	( -0.5)		
SEPT.-OCT.	( -2.1)		( 0.4)	( 1.0)	( 0.9)	( -5.6)	( 3.0)		
<b>WEEKLY LEVELS--\$MILLIONS</b>									
-----									
1975--AUG. 6	32,885	32,617	34,751	34,571	34,552	19,857	8,653	4,176	1,867
13	32,563	32,262	34,331	34,152	34,315	19,749	8,677	4,121	1,768
20	32,853	32,633	34,687	34,483	34,476	19,890	8,696	4,057	1,834
27	32,755	32,548	34,505	34,233	34,209	19,688	8,745	4,026	1,751
SEPT. 3	32,833	32,590	34,598	34,376	34,297	19,811	8,730	3,991	1,765
10	32,602	32,134	34,294	33,909	34,300	19,936	8,732	3,939	1,692
17	32,833	32,587	34,616	34,289	34,349	19,835	8,772	3,960	1,783
24	32,628	32,509	34,641	34,246	34,608	19,856	8,748	3,992	2,013
OCT. 1	33,111	33,279	35,303	34,722	34,837	19,879	8,745	4,021	2,192
8	32,488	32,216	34,400	34,162	34,385	19,655	8,748	4,070	1,912
15	32,760	32,600	34,602	34,430	34,358	19,655	8,736	4,126	1,842

NOTE: RESERVE SERIES HAVE BEEN ADJUSTED TO REMOVE DISCONTINUITIES ASSOCIATED WITH CHANGES IN RESERVE REQUIREMENT RATIO. DATA SHOWN IN PARANTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF SEPT. 16, 1975 THE COMMITTEE AGREED ON A RPD RANGE OF 1.0 TO 4.0 PERCENT FOR THE SEPT.-OCT. PERIOD.

Table 2

CONFIDENTIAL (F.R.)  
CLASS II-FOMC  
OCT. 17, 1975**MONETARY AGGREGATES**

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	MONEY SUPPLY		Adjusted Credit Proxy	U.S. Govt Deposits	TIME AND SAVINGS DEPOSITS			Nondeposit Sources of Funds
	Narrow (M1)	Broad (M2)			Total	Other Than CD's	CD's	
	1	2	3	4	5	6	7	8
<b>MONTHLY LEVELS--\$BILLIONS</b>								
1975--JULY	293.5	650.5	505.3	2.5	439.1	357.0	82.1	6.8
AUG.	294.2	653.7	503.0	2.9	437.4	359.4	78.0	7.0
SEPT.	294.7	656.4	505.9	3.0	440.7	361.7	79.1	7.0
OCT.	(294.0)	(658.4)	(507.6)	( 3.4)	(446.3)	(364.4)	( 81.9)	( 7.3)
<b>PERCENT ANNUAL GROWTH</b>								
<b>QUARTERLY</b>								
1975--1ST QTR.	0.8	7.6	3.1		10.1	13.4	-2.2	
2ND QTR.	11.2	13.4	7.5		6.7	15.3	-25.4	
3RD QTR.	2.3	6.4	-1.3		3.3	9.7	-23.8	
<b>QUARTERLY-AV</b>								
1975--1ST QTR.	-0.3	5.8	4.1		12.7	11.0	19.2	
2ND QTR.	8.6	11.2	5.2		5.2	13.3	-24.0	
3RD QTR.	6.9	10.4	1.4		4.9	13.2	-29.3	
<b>MONTHLY</b>								
1975--JULY	2.0	8.2	-5.2		5.5	13.3	-28.5	
AUG.	2.9	5.9	-5.5		-4.6	8.1	-59.9	
SEPT.	2.0	5.0	6.9		9.1	7.7	16.9	
OCT.	( -2.9)	( 3.7)	( 4.0)		( 15.2)	( 9.0)	( 42.5)	
SEPT.-OCT.	( -0.4)	( 4.3)	( 5.5)		( 12.2)	( 8.3)	( 30.0)	
<b>WEEKLY LEVELS--\$BILLIONS</b>								
1975--AUG. 6	294.6	653.0	503.8	2.7	437.8	358.4	79.4	6.8
13	293.1	652.5	502.7	2.5	438.0	359.4	78.7	6.8
20	293.9	653.2	503.1	2.7	437.3	359.3	77.9	7.1
27	295.9	655.5	504.0	3.1	436.5	359.6	77.0	7.3
SEPT. 3	295.4	656.0	504.0	3.6	437.7	360.6	77.1	7.0
10	295.5	656.5	506.4	4.2	439.1	361.0	78.1	7.0
17	295.4	656.8	506.2	4.0	440.0	361.3	78.7	7.0
24	293.5	654.8	505.3	2.9	441.0	361.3	79.7	7.0
OCT. 1	293.7	655.8	505.3	1.9	443.0	362.1	80.9	7.1
8 P	292.8	655.5	506.9	3.0	444.4	362.7	81.7	7.5

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY

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

Period	Open Market Operations 1/					Daily Average Reserve Effects 2/			Δ In Reserve Categories		Δ Target available reserves 5/
	Bills & Accept.	Coupon Issues	Agency Issues	RP's Net	Total	Open Market Operations	Δ Member Bank Borrowing	Other 4/ Factors	Req. res. against U.S.G. and interb.	available res. 5/ (6)+(7)+(8)-(9)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1975--Mar.	112	1,301	207	-1,758	-136	53	-41	-773	13	-774	-495
Apr.	1,319	1,070	-2	5,442	7,829	2,229	4	-1,767	54	412	495
May	197	50	-97	-3,357	-3,207	5,064	-50	-5,747	1	-734	-170
June	-413	958	-6	-1,855	-1,317	-3,165	211	3,438	-96	580	215
July	-2,302	--	-2	-623	-2,926	-832	-10	553	167	-456	-325
Aug.	-371	274	313	1,007	1,222	-1,332	-50	1,210	-124	-48	-45
Sept.	1,932	822	393	2,008	5,155	2,458	186	-2,432p	99p	113p	10
Oct.											265
Nov.											
1975--Aug. 6	-382	966*	--	-3,822	-3,238**	-1,154**	-73	781	-37	409	
13	-573	-566*	--	2,488	1,349**	-1,521**	-2	1,134	36	-425	
20	5	-399*	--	3,067	2,673**	1,865**	26	-1,425	95	371	
27	321	--	313	-2,632	-1,998	575	68	-802	-73	-86	
Sept. 3	-113	273	-1	2,225	2,384	747	-50	-638	17	42	
10	-223	--	-1	-3,833	-4,057	-1,857	163	1,263	25	-456	
17	309	456	--	-794	-29	678	-58	-166	1	453	
24	1,427	367	--	6,512	8,306	3,399	68	-3,402	143	-78	
Oct. 1	435	--	394	-1,092	-263	2,798	186	-2,161p	67p	756p	
8	-240	--	--	-5,806	-6,047	-2,763	-343	2,009p	-35p	-1,062p	
15	-932	--	--	1,548	616	-1,935	-65	2,297p	-87p	384p	
22											
29											

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

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

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

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

5/ Reserves to support private nonbank deposits. Target change for September and October reflects the target adopted at the September 16, 1975 FOMC meeting.

Target change for previous months reflects the bluebook patterns that are consistent with target ranges that were adopted during the month.

\* Special certificate (Direct Treasury borrowing from F.R.) \*\* Reflects special certificate purchase.

P - Preliminary.

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

Period	Treasury Bills Net Change <u>2/</u>	Treasury Coupons					Federal Agencies					Net Change Outright Holdings Total <u>5/</u>	RP's Net <u>6/</u>
		Net Purchases <u>3/</u>					Net Purchases <u>4/</u>						
		Within 1-year	1 - 5	5 - 10	Over 10	Total	Within 1-year	1 - 5	5 - 10	Over 10	Total		
1972	- 490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	- 46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	- 154
1974--Qtr. III	945	49	118	62	73	302	195	726	165	117	1,203	2,620	- 986
Qtr. IV	- 43	102	215	131	45	492	138	371	130	53	691	1,402	- 238
1975--Qtr. I	-2,093	33	1,054	625	312	2,024	69	169	285	61	584	508	53
Qtr. II	1,086	218	1,135	454	273	2,079	--	--	-2	--	-2	3,076	230
Qtr. III	-757	13	712	201	171	1,096	64	514	106	63	747	1,060	2,392
1975--Apr.	1,295	148	485	274	164	1,070	--	--	-2	--	-2	2,387	5,442
May	143	50	--	--	--	50	--	--	--	--	--	150	-3,357
June	- 352	20	650	180	109	958	--	--	--	--	--	539	-1,855
July	-2,305	--	--	--	--	--	--	--	--	--	--	-2,304	- 623
Aug.	- 369	13	150	64	47	274	41	229	49	34	353	216	1,007
Sept.	1,917	--	562	137	124	822	23	285	57	29	394	3,148	2,008
1975--Aug. 6	- 373	--	--	--	--	--	--	--	--	--	--	584	-3,822
13	- 565	--	--	--	--	--	--	--	--	--	--	-1,138	2,488
20	---	--	--	--	--	--	--	--	--	--	--	- 394	3,067
27	312	--	--	--	--	--	41	229	49	34	353	634	-2,632
Sept. 3	- 116	13	150	64	47	273	--	--	--	--	--	159	2,225
10	- 200	--	--	--	--	--	--	--	--	--	--	- 223	-3,833
17	309	--	314	91	51	456	--	--	--	--	--	765	- 794
24	1,396	--	248	46	73	367	--	--	--	--	--	1,794	6,512
Oct. 1	413	--	--	--	--	--	23	285	57	29	394	829	-1,092
8	-239	--	--	--	--	--	--	--	--	--	--	-240	-5,806
15	-926	--	--	--	--	--	--	--	--	--	--	-932	1,548
22													
29													

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 maturity shifts, rollovers of maturing coupon issues, and direct Treasury borrowings from the System.

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

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

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

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

	U.S. Govt. Security Dealer Positions		Dealer Positions		Excess** Reserves (5)	Member Bank Reserve Positions			
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)		Borrowing at FRB**		Basic Reserve Deficit	
						Total (6)	Seasonal (7)	8 New York (8)	38 Others (9)
1974--High	3,678	2,203	253	384	577	3,906	176	-7,870	-12,826
Low	-289	-309	0	27	-168	647	13	-2,447	-6,046
1975--High	*7,029	2,845	464	389	466	871	74p	-7,387	-11,390
Low	1,586	253	0	48	-50	18	5	-1,757	-8,070
1974--Sept.	2,309	552	23	85	180	3,282	139	-4,235	-8,250
Oct.	2,174	654	25	166	197	1,813	117	-4,602	-8,689
Nov.	2,900	1,608	83	268	205	1,252	67	-6,322	-9,715
Dec.	2,985	1,836	175	149	258	727	32	-5,960	-10,169
1975--Jan.	2,501	2,050	97	79	147	398	14	-5,378	-9,744
Feb.	3,329	2,121	144	166	198	147	11	-6,318	-9,533
Mar.	3,143	2,521	307	195	195	96	7	-5,732	-10,302
Apr.	2,737	1,617	35	115	143	110	6	-4,079	-10,426
May	4,744	1,752	91	170	155	66	9	-3,965	-9,567
June	5,201	1,351	89	118	201	227	11	-5,821	-9,344
July	4,231	1,246	60	135	188	259	17	-5,546	-9,896
Aug.	4,020	1,204	44	181	195	211	37	-3,964	-9,966
Sept.	*5,008	*588	31	122	169p	358p	58	-3,551	-9,015
1975--Aug. 6	3,958	1,995	96	138	199	180	29	-4,082	-9,547
13	4,007	1,150	33	215	16	179	35	-4,988	-10,640
20	4,045	769	4	207	211	204	35	-3,672	-9,733
27	4,618	1,152	0	155	296	272	40	-3,313	-9,870
Sept. 3	4,294	1,103	1	183	301	222	51	-2,745	-9,391
10	5,070	894	33	84	-6	385	54	-4,884	-10,478
17	5,384	253	30	113	267	327	61	-3,932	-10,094
24	*4,779	*477	58	107	33	395	64	-3,190	-8,393
Oct. 1	*4,657	*462	5	142	466p	581p	74p	-2,575	-7,207
8	*5,812	*846	0	154	15p	238p	74p	-2,765p	-9,968p
15	*7,029	*1,576	7p	82p	245p	173p	66p	-3,437p	-10,360p
22									
29									

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

\* STRICTLY CONFIDENTIAL

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



TABLE 6  
SELECTED INTEREST RATES  
 (Per Cent)

Period	Short-Term						Long-Term				
	Federal Funds	Treasury Bills		90-119 Day Commercial Paper	CD's New Issue-NYC		Aaa Utility		Municipal Bond Buyer	U.S. Government (20-yr. Constant Maturity)	FNMA Auctions Yields
		(1)	90-day (2)	1-year (3)	(4)	60-89 Day (5)	90-119 Day (6)	New Issue (7)	Recently Offered (8)	(9)	(10)
1974--High	13.55	9.63	9.54	12.25	12.25	12.00	10.61	10.52	7.15	8.68	10.59
Low	8.45	6.53	6.39	7.88	8.00	7.88	8.05	8.14	5.16	7.40	8.43
1975--High	7.70	6.68	7.31	8.43	7.88	7.75	9.80	9.71	7.67	8.63	9.95
Low	5.13	5.02	5.46	5.38	5.25	5.38	8.89	9.06	6.27	7.63	8.78
1974--Sept.	11.34	8.06	8.52	11.36	11.19	11.38	10.38	10.30	6.76	8.60	10.58
Oct.	10.06	7.46	7.59	9.55	9.35	9.33	10.16	10.23	6.57	8.37	10.22
Nov.	9.45	7.47	7.29	8.95	8.78	8.72	9.21	9.34	6.61	7.99	9.87
Dec.	8.53	7.15	6.79	9.18	9.00	8.84	9.53	9.56	7.05	7.91	9.53
1975--Jan.	7.13	6.26	6.27	7.39	7.43	7.45	9.36	9.45	6.82	7.88	9.25
Feb.	6.24	5.50	5.56	6.36	6.00	6.25	8.97	9.09	6.39	7.71	8.93
Mar.	5.54	5.49	5.70	6.06	5.88	6.03	9.35	9.38	6.74	7.99	8.82
Apr.	5.49	5.61	6.40	6.11	5.85	6.03	9.67	9.66	6.94	8.36	9.06
May	5.22	5.23	5.91	5.70	5.44	5.63	9.63	9.65	6.97	8.22	9.27
June	5.55	5.34	5.86	5.67	5.34	5.51	9.20	9.33	6.94	8.04	9.09
July	6.10	6.13	6.64	6.32	6.05	6.25	9.42	9.43	7.06	8.17	9.14
Aug.	6.14	6.44	7.16	6.59	6.31	6.63	9.45	9.49	7.17	8.50	9.41
Sept.	6.24	6.42	7.20	6.79	6.44	6.81	9.68	9.57	7.44	8.57	9.78
1975--Aug. 6	6.09	6.37	6.99	6.50	6.38	6.50	9.44	9.51	7.16	8.49	--
13	6.08	6.41	7.15	6.58	6.25	6.63	9.43	9.49	7.17	8.50	9.32
20	6.15	6.44	7.23	6.63	6.25	6.63	9.53	9.54	7.18	8.53	--
27	6.23	6.52	7.26	6.63	6.38	6.75	9.49	9.50	7.18	8.48	9.50
Sept. 3	6.06	6.40	7.08	6.69	6.38	6.75	--	9.41	7.34	8.47	--
10	6.15	6.39	7.06	6.75	6.38	6.88	9.64	9.50	7.40	8.61	9.70
17	6.28	6.48	7.31	6.80	6.50	6.88	9.68	9.61	7.49	8.63	--
24	6.29	6.36	7.21	6.83	6.50	6.75	9.70	9.70	7.54	8.52	9.86
Oct. 1	6.36	6.47	7.26	6.80	6.50	7.00	9.72	9.70	7.67	8.59	--
8	6.06	6.32	6.88	6.83	6.38	6.75	9.60	9.56	7.48	8.43	9.95
15	5.82	6.13	6.61	6.53	6.13	6.38	9.53p	9.51p	7.29	8.36p	--
22											
29											
Daily--Oct. 9	5.87	6.22	6.76	6.63	--	--	--	--	--	8.40	--
16	5.79p	5.97	6.46	6.38	--	--	--	--	--	n.a.	--

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

p - Preliminary.

## MONEY AND CREDIT AGGREGATE MEASURES

Period	RESERVES <sup>1/</sup>			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Available to Support Pvt Deposits	Adj Credit proxy	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	12
<b>ANNUALLY:</b>	(Per cent annual rates of growth)											
1972	10.8	7.5	10.1	11.3	14.6	8.7	11.1	13.2	12.5	14.0	12.9	12.9
1973	7.9	7.3	9.2	10.4	13.5	6.1	8.8	8.8	11.6	10.6	11.2	11.9
1974	8.5	10.7	8.9	10.2	9.2	4.8	7.2	6.8	10.6	9.0	9.1	8.9
<b>SEMI-ANNUALLY:</b>												
1ST HALF 1974	10.8	0.4	12.6	14.5	15.0	6.3	8.7	7.9	13.3	10.9	11.0	11.0
2ND HALF 1974	5.9	21.0	4.9	5.4	3.1	3.1	5.5	5.4	7.5	6.7	6.9	6.5
1ST HALF 1975	-3.6	-0.8	-2.1	5.3	3.4	6.0	10.6	13.0	7.5	10.7	10.1	9.9
<b>QUARTERLY:</b>												
4TH QTR. 1974	3.6	36.0	0.8	4.2	-1.0	5.3	6.7	6.9	9.0	8.4	8.1	6.5
1ST QTR. 1975	-8.3	-1.4	-4.7	3.1	4.3	0.8	7.6	9.9	6.3	8.8	7.9	7.6
2ND QTR. 1975	1.2	-0.2	0.5	7.5	2.3	11.2	13.4	15.7	8.6	12.3	12.0	11.9
3RD QTR. 1975	-2.2	-4.1	-2.5	-1.3	4.8	2.3	6.4	9.8	3.0	7.3	7.0	6.6
<b>QUARTERLY-AV:</b>												
4TH QTR. 1974	1.4	27.3	2.5	3.5	0.2	3.9	6.2	5.8	7.3	6.6	6.8	6.2
1ST QTR. 1975	-0.9	11.5	-1.4	4.1	0.1	-0.3	5.8	7.8	7.4	8.8	8.0	7.0
2ND QTR. 1975	-3.7	-2.8	-2.5	5.2	3.5	8.6	11.2	13.8	6.6	10.6	9.9	9.9
3RD QTR. 1975	-0.8	-2.7	-1.1	1.4	4.2	6.9	10.4	13.1	5.7	9.9	9.5	9.2
<b>MONTHLY:</b>												
1974--SEPT.	6.8	9.6	7.8	4.2	-6.9	0.9	3.0	3.0	4.4	4.0	4.4	5.0
OCT.	-3.1	51.9	-1.5	-0.2	1.4	3.8	8.4	7.1	9.8	8.0	8.8	8.5
NOV.	-1.6	18.5	-2.7	5.2	5.0	8.5	7.9	7.7	5.7	6.2	5.8	3.6
DEC.	15.5	34.7	6.5	7.6	-9.4	3.4	3.7	5.9	11.4	10.8	9.4	7.3
1975--JAN.	7.9	19.4	0.0	3.6	3.5	-11.8	2.5	5.6	6.7	7.9	8.2	7.5
FEB.	-27.3	-19.1	-8.6	-0.2	2.8	3.4	8.4	9.9	6.1	8.2	7.0	6.9
MAR.	-5.5	-4.1	-5.5	5.8	6.7	11.0	11.6	13.9	6.1	10.2	8.2	8.5
APR.	8.3	8.1	2.9	5.1	2.4	3.4	7.3	11.7	4.2	9.2	9.6	9.5
MAY	-14.7	-13.2	-10.3	2.4	3.8	11.3	13.4	14.9	7.0	10.7	10.0	9.8
JUNE	10.3	4.8	9.1	15.1	0.9	18.7	19.2	19.8	14.3	16.7	16.3	15.9
JULY	4.1	1.6	-2.1	-5.2	5.3	2.0	8.2	12.2	4.1	9.1	9.2	8.8
AUG.	-14.5	-11.6	-6.2	-5.5	6.8	2.9	5.9	9.4	-1.5	4.4	3.8	3.4
SEPT. P	4.0	-2.4	0.7	6.9	2.2	2.0	5.0	7.4	6.2	8.1	7.8	7.6

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

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

P - PRELIMINARY.

APPENDIX TABLE I-B

## MONEY AND CREDIT AGGREGATE MEASURES

OCT. 17, 1975

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

Period	RESERVES <sup>1/</sup>			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non borrowed	Available to Support Pvt Deposits	Adj Credit proxy	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	12
<b>ANNUALLY:</b>												
1972	30,327	29,278	28,039	406.4	559.0	255.8	525.7	844.9	569.7	888.8	985.5	1013.1
1973	32,711	31,413	30,610	448.7	634.6	271.5	572.2	919.6	636.0	983.4	1095.4	1133.6
<b>MONTHLY:</b>												
1974--SEPT.	35,187	31,904	33,278	489.2	693.2	280.7	603.4	965.0	688.2	1049.9	1171.5	1214.9
OCT.	35,097	33,284	33,236	488.3	696.0	281.6	607.6	970.7	693.8	1056.9	1180.1	1223.5
NOV.	35,050	33,798	33,160	491.2	697.4	283.6	611.6	976.9	697.1	1062.4	1185.8	1227.2
DEC.	35,503	34,776	33,341	494.3	691.9	284.4	613.5	981.7	703.7	1072.0	1195.1	1234.7
1975--JAN.	35,737	35,339	33,341	495.8	693.9	281.6	614.8	986.3	707.6	1079.1	1203.3	1242.4
FEB.	34,925	34,777	33,103	495.7	695.5	282.4	619.1	994.4	711.2	1086.5	1210.3	1249.5
MAR.	34,764	34,658	32,951	498.1	699.4	285.0	625.1	1005.9	714.8	1095.7	1218.6	1258.3
APR.	35,003	34,892	33,032	500.2	700.8	285.8	628.9	1015.7	717.3	1104.1	1228.3	1268.3
MAY	34,574	34,508	32,748	501.2	703.0	288.5	635.9	1028.3	721.5	1113.9	1238.5	1278.7
JUNE	34,872	34,645	32,995	507.5	703.5	293.0	646.1	1045.3	730.1	1129.4	1255.3	1295.6
JULY	34,991	34,690	32,938	505.3	706.6	293.5	650.5	1055.9	732.6	1138.0	1264.9	1305.1
AUG.	34,567	34,355	32,769	503.0	710.6	294.2	653.7	1064.2	731.7	1142.2	1268.9	1308.8
SEPT. P	34,682	34,286	32,787	505.9	711.9	294.7	656.4	1070.8	735.5	1149.9	1277.2	1317.1
<b>WEEKLY:</b>												
1975--AUG. 13	34,331	34,152	32,563	502.7		293.1	652.5		731.1			
20	34,687	34,483	32,853	503.1		293.9	653.2		731.1			
27	34,505	34,233	32,755	504.0		295.9	655.5		732.5			
SEPT. 3	34,598	34,376	32,833	504.0		295.4	656.0		733.1			
10	34,294	33,909	32,602	506.4		295.5	656.5		734.6			
17	34,616	34,289	32,833	506.2		295.4	656.8		735.5			
24	34,641	34,246	32,628	505.3		293.5	654.8		734.5			
OCT. 1P	35,303	34,722	33,111	505.3		293.7	655.8		736.7			
8P	34,400	34,162	32,488	506.9		292.8	655.5		737.2			

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURO-DOLLAR BORROWINGS OF U.S. BANKS. 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.

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

P - PRELIMINARY

## COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares <sup>1/</sup>	Credit Union Shares <sup>y</sup>	CD's	Savings Bonds <sup>y</sup>	Short Term U.S Gov't Securities	Commercial Paper <sup>y</sup>	
	1	2	3	4	5	6	7	8	9	10	
(Per cent annual rates of growth)											
<b>ANNUALLY:</b>											
1972	8.2	8.9	15.7	13.5	16.7	18.0	31.0	6.1	0.5	15.0	
1973	8.3	5.5	16.2	11.4	8.5	13.9	45.3	5.1	30.9	38.8	
1974	10.2	3.1	15.0	9.4	5.6	11.8	41.5	4.8	15.7	3.4	
<b>SEMI-ANNUALLY:</b>											
1ST HALF 1974	9.7	5.2	18.6	10.9	5.9	13.0	54.9	4.3	19.2	12.5	
2ND HALF 1974	10.2	1.0	10.5	7.6	5.1	9.9	22.1	5.2	11.2	-5.4	
1ST HALF 1975	9.4	5.0	8.5	14.6	16.3	22.5	-13.7	6.1	3.0	3.5	
<b>QUARTERLY:</b>											
4TH QTR. 1974	12.1	3.2	11.6	7.9	6.9	12.0	25.9	5.2	4.0	-34.2	
1ST QTR. 1975	8.8	-1.7	10.1	13.4	13.1	20.4	-2.2	6.4	-7.3	1.0	
2ND QTR. 1975	9.8	11.7	6.7	15.3	18.9	23.5	-25.4	5.6	13.5	6.0	
3RD QTR. 1975	5.1	1.6	3.3	9.7	15.5	11.8	-23.8	6.8	2.0	-4.0	
<b>QUARTERLY-AV:</b>											
4TH QTR. 1974	11.6	1.7	9.7	8.2	4.9	10.6	15.2	5.8	10.8	-9.4	
1ST QTR. 1975	8.9	-3.3	12.7	11.0	10.8	17.6	19.2	5.8	-3.3	-20.2	
2ND QTR. 1975	8.7	8.6	5.2	13.3	17.6	22.5	-24.0	5.7	2.0	8.1	
3RD QTR. 1975	8.5	6.6	4.9	13.2	17.6	17.3	-29.3	6.2	6.6	-2.0	
<b>MONTHLY:</b>											
1974--SEPT.	7.3	-1.1	6.8	4.5	2.9	9.1	14.3	5.8	12.2	19.7	
OCT.	10.9	2.2	13.5	11.9	4.3	9.0	19.8	5.8	24.1	2.8	
NOV.	16.2	5.6	4.1	7.7	7.1	13.4	-9.7	5.8	-2.0	-55.3	
DEC.	8.9	1.7	16.8	4.0	9.2	13.2	67.4	3.8	-9.9	-52.2	
1975--JAN.	5.3	-17.2	19.2	14.9	9.9	17.5	31.9	7.6	15.9	-15.2	
FEB.	8.8	1.7	7.9	12.6	11.5	17.2	-7.8	5.7	-15.7	6.1	
MAR.	12.2	10.7	3.1	12.1	17.6	25.4	-30.0	5.7	-21.9	12.2	
APR.	1.7	3.9	4.5	10.6	18.4	20.8	-18.7	5.6	20.3	9.1	
MAY	12.1	11.1	3.9	15.0	17.1	20.4	-39.4	5.6	0.0	6.0	
JUNE	15.4	19.8	11.6	19.7	20.2	28.1	-19.6	5.6	19.9	3.0	
JULY	5.1	1.1	5.5	13.3	18.9	15.7	-28.5	7.4	11.8	-3.0	
AUG.	8.4	1.1	-4.6	8.1	14.7	19.4	-59.9	5.5	-11.7	-6.0	
SEPT. P	1.7	2.7	9.1	7.7	12.3	0.0	16.9	7.3	5.9	-3.0	

NOTES: RESERVE REQUIREMENTS ON EURODOLLAR BORROWINGS ARE INCLUDED BEGINNING OCTOBER 16, 1969, AND REQUIREMENTS ON BANK-RELATED COMMERCIAL PAPER ARE INCLUDED BEGINNING OCTOBER 1, 1970.  
<sup>1/</sup> GROWTH RATES ARE BASED ON ESTIMATED MONTHLY AVERAGE LEVELS DERIVED BY AVERAGING END OF CURRENT MONTH AND END OF PREVIOUS MONTH REPORTED DATA.  
P - PRELIMINARY.

## COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares <sup>1/</sup>	Credit Union Shares <sup>1/</sup>	CD's	Savings Bonds <sup>1/</sup>	Short Term U S Gov't Securities <sup>1/</sup>	Commercial Paper <sup>1/</sup>	Non-deposit Funds	U S Gov't Demand
	1	2	3	4	5	6	7	8	9	10	11	12
<b>ANNUALLY:</b>												
1972	56.9	198.9	313.8	269.9	297.5	21.6	43.9	57.0	39.8	27.6	4.3	5.6
1973	61.6	209.9	364.5	300.7	322.8	24.6	63.8	59.9	52.1	38.3	6.6	3.9
<b>MONTHLY:</b>												
<b>1974--SEPT.</b>												
OCT.	66.5	215.2	412.1	325.9	336.2	26.9	86.2	62.3	60.9	43.4	7.9	3.7
NOV.	67.4	216.2	413.5	328.0	338.2	27.2	85.5	62.6	60.8	41.4	7.6	4.6
DEC.	67.9	216.5	419.3	329.1	340.8	27.5	90.3	62.8	60.3	39.6	8.4	1.9
<b>1975--JAN.</b>												
FEB.	68.7	213.7	428.8	336.7	346.9	28.3	92.1	63.5	60.3	39.3	6.5	0.6
MAR.	69.4	215.6	429.9	340.1	352.0	28.9	89.8	63.8	59.2	39.7	6.5	0.7
<b>APR.</b>												
MAY	69.5	216.3	431.5	343.1	357.4	29.4	88.4	64.1	60.2	40.0	6.7	2.1
JUNE	70.2	218.3	432.9	347.4	362.5	29.9	85.5	64.4	60.2	40.2	7.4	2.1
JULY	71.1	221.9	437.1	353.1	368.6	30.6	84.1	64.7	61.2	40.3	7.0	3.8
<b>AUG.</b>												
SEPT. P	71.4	222.1	439.1	357.0	374.4	31.0	82.1	65.1	61.8	40.2	6.8	2.5
	71.9	222.3	437.4	359.4	379.0	31.5	78.0	65.4	61.2	40.0	7.0	2.9
	72.0	222.8	440.7	361.7	382.9	31.5	79.1	65.8	61.5	39.9	7.0	3.0
<b>WEEKLY:</b>												
<b>1975--AUG.</b>												
13	71.9	221.2	438.0	359.4			78.7				6.8	2.5
20	71.8	222.1	437.3	359.3			77.9				7.1	2.7
27	72.0	223.9	436.5	359.6			77.0				7.3	3.1
<b>SEPT.</b>												
3	72.0	223.4	437.7	360.6			77.1				7.0	3.6
10	71.9	223.6	439.1	361.0			78.1				7.0	4.2
17	72.1	223.4	440.0	361.3			78.7				7.0	4.0
24	72.1	221.4	441.0	361.3			79.7				7.0	2.9
<b>OCT.</b>												
1P	72.0	221.7	443.0	362.1			80.9				7.1	1.9
8P	72.4	220.4	444.4	362.7			81.7				7.5	3.0

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

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

Appendix Table III

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

		<u>M<sub>1</sub></u>		<u>M<sub>2</sub></u>		<u>M<sub>3</sub></u>	
		M	Q	M	Q	M	Q
1973	I	3.4	6.8	7.3	9.1	8.8	10.4
	II	11.3	7.3	10.6	8.6	10.5	9.1
	III	0.6	5.5	5.6	7.8	5.2	7.5
	IV	8.7	5.0	10.8	8.9	9.8	7.9
QIV '72-QIV '73		6.1	6.3	8.8	8.9	8.8	9.0
1974	I	5.5	5.8	9.3	9.6	8.9	9.1
	II	7.0	7.3	7.9	8.3	6.8	7.6
	III	1.0	3.5	4.2	6.0	3.8	5.2
	IV	5.3	3.9	6.7	6.2	6.9	5.8
QIV '73-QIV '74		4.8	5.2	7.2	7.7	6.8	7.1
1975	I	0.8	-0.3	7.6	5.8	9.9	7.8
	II	11.2	8.6	13.4	11.2	15.7	13.8
	III	2.3	6.9	6.4	10.4	9.8	13.1

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

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

Appendix Table IV

Projected Federal Funds Rates

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975	QIV	5½	6½	7
1976	QI	6½	7½	8½
	QII	7½	8½	9½
	QIII	7½	9	10