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MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

November 14, 1975

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M_1 declined at about a 3 per cent annual rate in October, but data for early November are consistent with the staff forecast of a substantial rebound in the current month. For the two-month target period, M_1 is projected to expand at an annual rate of about 4 per cent, somewhat above the low end of the Committee's range of tolerance. With growth in consumer-type time deposits a little stronger than projected, M_2 is expected to grow at about a $7\frac{1}{2}$ per cent annual rate over the two-month target period--somewhat above the mid-point of its tolerance range.

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

<u>Reserve and monetary aggregates (Growth at SAAR in per cent)</u>	<u>Ranges of Tolerance</u>	<u>Latest Estimates</u>
M_1	3 to 7	4.1
M_2	$5\frac{1}{2}$ to $8\frac{1}{2}$	7.7
RPD	0 to 4	2.1

<u>Memo:</u>		<u>Avg. for statement week ending</u>	
Federal funds rate (per cent per annum)	$5\frac{1}{2}$ to $6\frac{1}{2}$	Oct. 22	5.73
		29	5.65
		Nov. 5	5.17
		12	5.24

(2) There was some increase in total short-term business credit in October. Outstanding business loans at banks expanded by a relatively sizable amount, mainly at banks outside the major money market centers, but this was offset in part by another decline in commercial paper issued by nonfinancial corporations. Outstanding bank CD's have shown little change since the build-up that occurred in late September and early October. While this mainly reflected the continuing weakness in business loans at large banks, several New York City banks appear to have experienced some investor reluctance to acquire their CD's and did not aggressively seek such funds. These banks also relied less than they usually do on purchases of Federal funds during the past month and generally have lengthened the maturities of their managed liabilities.

(3) Immediately following the October FOMC meeting, the Desk sought reserve conditions consistent with a Federal funds rate in a $5\frac{1}{2}$ to $5\frac{3}{4}$ per cent range but with the expectation that the rate would be moved down to $5\frac{1}{2}$ per cent unless incoming data on the aggregates indicated more rapid growth. Data available shortly after the Committee meeting did in fact suggest some strengthening in monetary growth causing the Desk to slow the movement to a $5\frac{1}{2}$ per cent rate. As a result, the funds rate averaged 5.65 per cent in the week ending October 29. When subsequent data suggested a considerable weakening in the aggregates, the Desk followed a more accommodative approach to reserve provision, and the funds rate moved to the $5\frac{1}{4}$ per cent lower limit of the Committee's range of tolerance. As the funds rate dropped increasingly below the discount rate, member bank borrowing

dwindled. Although the latest data indicate a strengthening in the aggregates, the Desk has continued to aim at a funds rate around $5\frac{1}{2}$ per cent in view of the proximity of the November Committee meeting and the continuing uncertainties affecting financial markets.

(4) Short-term rates dropped another 20-50 basis points over the intermeeting period, with the largest decline occurring in Treasury bill rates. In longer-term markets yields have also declined somewhat further except on municipals. Municipal yields which had declined in early October from the peak reached at the turn of the month, advanced again in late October and early November. Most recently, however, some of this advance has been erased as the market has come to believe that a settlement of the New York problem is in the offing.

(5) Deposits at savings and loan associations and mutual savings banks grew during October at an annual rate of around $11\frac{1}{2}$ per cent, about the same as in September. Given the sharp declines in market rates, managers of thrift institutions reportedly have become more optimistic about the future course of deposit flows and therefore less cautious about extending new mortgage commitments. Interest rates on primary mortgages have dropped slightly; the Home Loan Bank series shows a decline in the average rate on new commitments for 80 per cent conventional mortgages from 9.25 to 9.17 per cent over the intermeeting period. In the secondary market, average yields in FNMA auctions dropped about 30 basis points.

(6) 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 Oct. '75 over Oct. '74	Past Six Months Oct. '75 over Apr. '75	Past Three Months Oct. '75 over July '75	Past Month Oct. '75 over Sept. '75
Total reserves	8.5	-1.4	-2.2	-4.3	-2.1
Nonborrowed reserves	10.7	3.5	-2.7	-3.0	5.2
Reserves available to support private nonbank deposits	8.9	-1.5	-1.9	-2.7	-2.6
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	4.8	4.4	5.7	0.7	-2.9
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	7.2	3.4	9.4	4.9	4.0
M ₃ (M ₂ plus deposits at thrift institutions)	6.8	10.9	12.1	8.0	6.9
M ₄ (M ₂ plus CD's)	10.6	6.6	6.3	3.9	7.2
M ₅ (M ₃ plus CD's)	9.0	9.6	9.8	7.1	8.7
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	10.2	4.0	3.1	2.1	5.2
Loans and investments of commercial banks <u>2/</u>	9.2	3.6	4.5	5.0	6.0
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	2.2	- .4	-1.2	- .3	2.2
Nonbank commercial paper	.4	- .2	- .5	- .6	-1.1

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

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

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

Prospective developments

(7) Summarized below for Committee consideration are three alternative sets of short-run specifications for monetary aggregates and the Federal funds rate. All three alternatives are intended to be consistent with the FOMC's longer-run objectives for the aggregates, as indexed by a 5-7½ per cent rate of growth in M₁ from QIII '75 to QIII '76. Each of the alternatives, therefore, implies a different pattern of interest rate developments, as summarized in appendix table IV and as explained in the ensuing paragraphs.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges of tolerance for November-December			
M ₁	7-9	6½-8½	6-8
M ₂	8½-10½	8-10	7½-9½
RPD	5½-7½	5-7	4½-6½
Federal funds rate	4½-5½	4¾-5¾	5½-6½

(8) Under alternative B the Federal funds rate range is centered around the recently prevailing 5½ per cent level. M₁ is once again expected to begin growing at a reasonably rapid rate; under this alternative growth over the two-month November-December period is estimated to be in a 6½-8½ per cent annual rate range. The main basis for this expectation is the growing need for transactions balances associated with the 14½ per cent annual rate of expansion in nominal GNP projected by the staff for the fourth quarter M₁ growth in Nov.-Dec. at an annual rate of 7½ per cent--the midpoint of the indicated range--would

Alternative Levels and Growth Rates for Key Monetary Aggregates

	<u>M₁</u>			<u>M₂</u>			<u>M₃</u>		
	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975 October	294.0	294.0	294.0	658.5	658.5	658.5	1076.9	1076.9	1076.9
November	296.7	296.7	296.7	664.8	664.7	664.6	1087.2	1087.1	1086.9
December	297.8	297.6	297.4	668.7	668.4	668.1	1095.2	1094.7	1094.2
1975 QIII	294.1	294.1	294.1	653.5	653.5	653.5	1063.6	1063.6	1063.6
QIV	296.2	296.1	296.1	664.0	663.9	663.7	1086.4	1086.2	1086.0
1976 QI	302.2	301.7	301.4	677.8	677.0	676.1	1111.2	1109.9	1108.7
QII	307.7	307.3	307.2	690.6	689.9	690.1	1133.1	1132.2	1132.2
QIII	312.4	312.4	312.4	702.0	702.2	704.0	1152.7	1153.6	1156.1
<u>Growth Rates</u>									
Monthly:									
1975 November	11.0	11.0	11.0	11.5	11.3	11.1	11.5	11.4	11.1
December	4.4	3.6	2.8	7.0	6.7	6.3	8.8	8.4	8.1
Quarterly Average:									
1975 QIV	2.9	2.7	2.7	6.4	6.4	6.2	8.6	8.5	8.4
QI	8.2	7.6	7.2	8.3	7.9	7.5	9.1	8.7	8.4
QII	7.3	7.4	7.7	7.6	7.6	8.3	7.9	8.0	8.5
QIII	6.1	6.6	6.8	6.5	7.1	8.1	6.9	7.6	8.4
QIII '75-QI '76	5.5	5.2	5.0	7.4	7.2	6.9	9.0	8.7	8.5
QI '76-QIII '76	6.8	7.1	7.3	7.1	7.4	8.3	7.5	7.9	8.6
QIII '75-QIII '76	6.2	6.2	6.2	7.4	7.5	7.7	8.4	8.5	8.7

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

	<u>M₄</u>			<u>M₅</u>			<u>Credit Proxy</u>		
	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975 October	739.8	739.8	739.8	1158.1	1158.1	1158.1	508.0	508.0	508.0
November	745.7	745.7	745.6	1168.3	1168.1	1168.0	511.7	511.6	511.6
December	749.6	749.4	749.2	1176.1	1175.7	1175.3	512.9	512.8	512.7
1975 QIII	733.2	733.2	733.2	1143.3	1143.3	1143.3	504.7	504.7	504.7
QIV	745.0	745.0	744.9	1167.5	1167.3	1167.1	510.9	510.8	510.8
1976 QI	759.2	758.6	758.0	1192.6	1191.6	1190.6	517.2	516.9	516.6
QII	773.3	773.1	772.9	1215.8	1215.4	1215.0	523.4	523.3	523.1
QIII	787.0	787.6	788.2	1237.7	1239.0	1240.3	528.5	529.0	529.0
<u>Growth Rates</u>									
Monthly:									
1975 November	9.6	9.6	9.4	10.6	10.4	10.3	8.7	8.5	8.5
December	6.3	6.0	5.8	8.0	7.8	7.5	2.8	2.8	2.6
Quarterly Averages:									
1975 QIV	6.4	6.4	6.4	8.5	8.4	8.3	4.9	4.8	4.8
1976 QI	7.6	7.3	7.0	8.6	8.3	8.1	4.9	4.8	4.5
QII	7.4	7.6	7.9	7.8	8.0	8.2	4.8	5.0	5.0
QIII	7.1	7.5	7.9	7.2	7.8	8.3	3.9	4.4	4.5
QIII '75-QI '76	7.1	6.9	6.8	8.6	8.4	8.3	5.0	4.8	4.7
QI '76-QIII '76	7.3	7.6	8.0	7.6	8.0	8.3	4.4	4.7	4.8
QIII '75-QIII '76	7.3	7.4	7.5	8.3	8.4	8.5	4.7	4.8	4.8

result in expansion from QIII '75 to QIV '75 at a rate of about $2\frac{3}{4}$ per cent, implying a rise in income velocity at about an 11 per cent annual rate between those quarters. This would be an extremely large rise even for the early stages of an economic recovery, particularly if, as assumed, it is not associated with upward interest rate pressures during the quarter.

(8) Such a large rise in velocity would not appear to be long sustainable at current interest rate levels, given the reduction in the public's cash balances relative to income that has already occurred and given the continued, even though somewhat diminished, rate of expansion projected for nominal GNP in 1976. With the demand for money likely to continue to rise, the staff would expect the Federal funds rate to increase in the course of next year if the rate of growth in M_1 is to average near the mid-point of the FOMC's longer-run target range of $5-7\frac{1}{2}$ per cent. By summer, the funds rate might peak out at around $7\frac{1}{2}$ per cent. This would be lower than had been projected by the staff at the time of the last meeting.

(9) If the funds rate shows little change over the next few weeks, the 3-month bill rate might be in a $5\frac{1}{2}-6$ per cent range. The rate could show some tendency to rise from its recent trading level of about 5.40 per cent because the increase in short-term credit typical of the holiday season will coincide with continued sizable net additions to outstanding bills by the Treasury to raise new cash. Short-term rates will also be heavily influenced by developments with respect to New York. A resolution of the problem would affect attitudes and expectations in a manner likely to put upward pressure on rates, whereas a dashing of hopes would have the opposite effect.

(10) With bond volume in the corporate and municipal markets expected to be generally moderate, longer-term market interest rates are likely to show little further net change between now and year-end under the specifications of alternative B. If the New York situation is resolved without default, yields in the municipal market could well show significant declines. Primary mortgage market yields are likely to edge down over the period ahead in lagged reaction to earlier declines in short-term interest rates and corporate bond yields, and in light of a continued relatively comfortable inflow of savings funds to thrift institutions.

(11) Both banks and nonbank thrift institutions may experience more favorable net inflows of time and savings deposits over the next several weeks than they had in late summer and early fall, when market interest rates were higher. However, very recent experience suggests no more than a modest pick-up. Because upward pressures on interest rates in the fourth quarter of 1975 and now projected for 1976 are weaker than those anticipated earlier, consumer-type time deposit flows are no longer expected to slacken substantially in the near future. Accordingly, the date for an assumed upward adjustment in Regulation Q ceiling rates has been shifted forward, from year-end to mid-1976.

(12) Alternative A contemplates a modest further decline in the Federal funds rate between now and the next Committee meeting, to the mid-point of a $4\frac{1}{2}$ - $5\frac{1}{2}$ per cent range. This would tend to strengthen forces making for a rebound in growth of the monetary aggregates and would also

be more accommodative of any increase in demands for liquidity should uncertainties with regard to municipal markets and banks continue. We would expect that such a reduction in the funds rate would have to be reversed at least by early next year in order to keep longer-run growth in M_1 at around the mid-point of the 5-7½ per cent range, and that by Spring the funds rate would be around 7¾ per cent.

(13) A reduction in the funds rate over the next few weeks of about the dimensions contemplated under alternative A would probably be accompanied by similar declines in other short-term rates and by some further decline in longer-term market rates. Mortgage market yields would also be likely to drop as the outlook for continued savings inflows brightens. But declines in mortgage yields, as well as in security rates, may be limited insofar as market participants view the easing in money market conditions as temporary. Market attitudes will, of course, be influenced by the nature of incoming economic news and by the degree of use, if any, of other monetary policy instruments.

(14) Alternative C involves some rise in the Federal funds rate over the next few weeks, to the mid-point of a 5¼-6¼ per cent range. Such a reversal in the recent trend of the funds rate would likely be accompanied by a sharp rebound in market rates; the 3-month bill rate, for example, might promptly move up to the 6-6½ per cent area. But if interest rates are pushed up over the next few weeks, it is likely that less of an increase would be required over the longer run than under alternatives A or B, since an early start will have been made in restraining money demand. It seems probable that the alternative C strategy might lead to a funds rate that

peaks out at around 6 $\frac{3}{4}$ per cent next year. Thus, over the longer run this approach would place less pressure on banks and thrift institutions. In the short run, however, recent easing tendencies in bank and mortgage loans rates would be quickly reversed.

(15) Among the assumptions made in developing the specifications presented in this blue book are: (a) no more than modest business loan growth at banks in view of (i) expected conservative inventory investment policies by business that would limit their demand for bank credit and (ii) continued relatively cautious bank lending policies; and (b) unwillingness of major banks to actively press CD's on the market in the period immediately ahead. In addition, it has been assumed that there will be no significant further impairment of confidence in the municipal market and banks.

Proposed directive

(16) Given below is a proposed operational paragraph if the Committee wishes to continue formulating its instructions in terms of desired growth in monetary aggregates over the months ahead. No alternatives are presented for this formulation, in the expectation that the reference to desired growth will be taken to apply to the longer-term targets and that at this meeting the Committee will not reconsider its present 5 to 7½ per cent target range for M_1 , with which all of the short-run operating alternatives discussed in the preceding sections are consistent.

'Monetary Aggregate' proposal

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

(17) Should the Committee desire to formulate the directive in terms of bank reserve and money market conditions, the language needed would depend on the specific conditions sought. Alternative "money market" directives intended to correspond to the similarly lettered policy alternatives are given below.

Alternative "Money Market" proposals

Alternative A

To implement this policy while taking account of developments in domestic and international financial markets, the Committee seeks to achieve SOMEWHAT EASIER bank reserve and money market conditions OVER THE PERIOD IMMEDIATELY AHEAD, PROVIDED THAT MONETARY AGGREGATES DO NOT APPEAR TO BE GROWING AT RATES ABOVE THOSE CURRENTLY EXPECTED ~~consistent-with-moderate-growth-in-monetary-aggregates over-the-months-ahead.~~

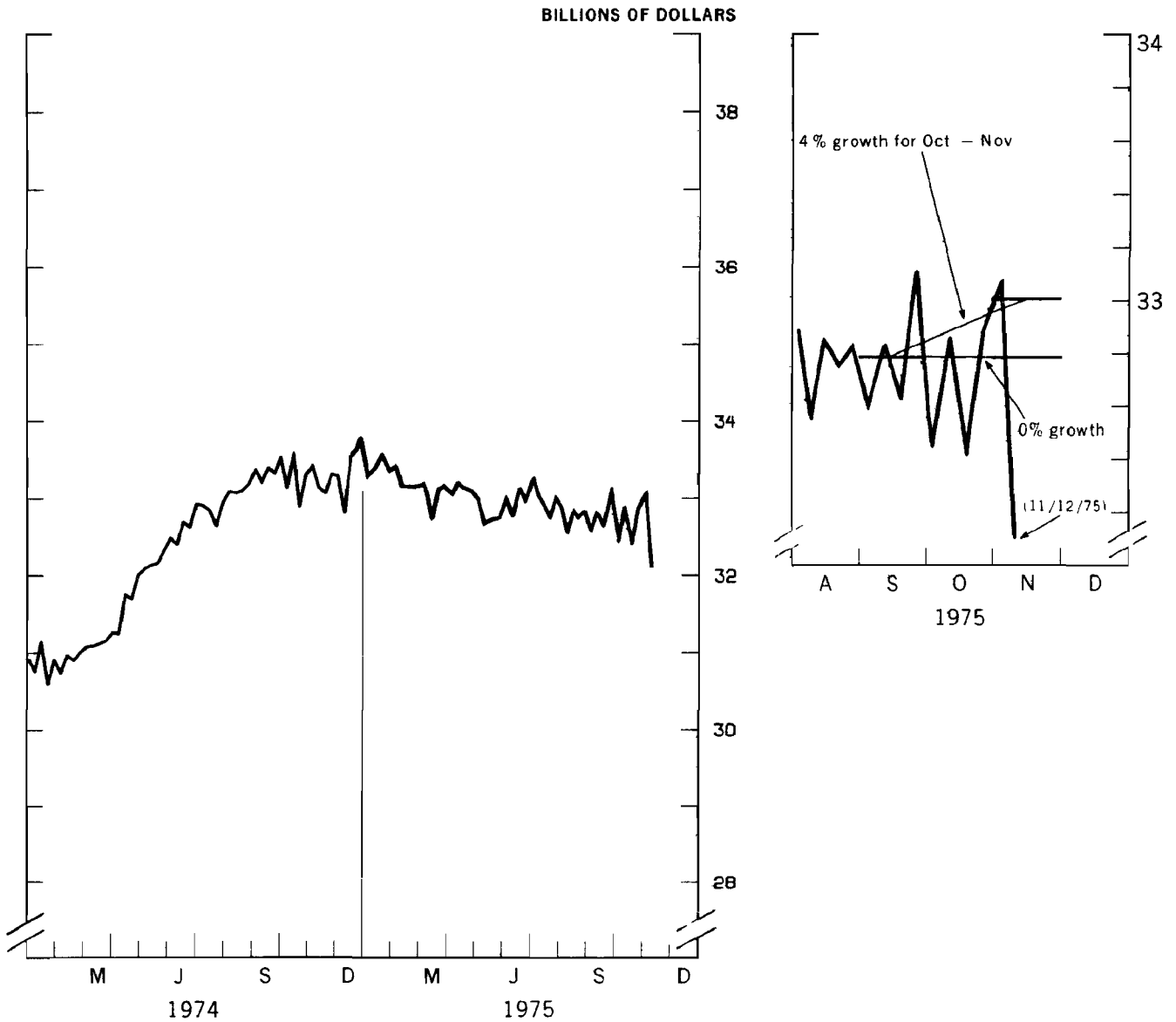
Alternative B

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve MAINTAIN PREVAILING bank reserve and money market conditions OVER THE PERIOD IMMEDIATELY AHEAD, PROVIDED THAT MONETARY AGGREGATES APPEAR TO BE GROWING AT ABOUT THE RATES CURRENTLY EXPECTED ~~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 SOMEWHAT FIRMER bank reserve and money market conditions OVER THE PERIOD IMMEDIATELY AHEAD, PROVIDED THAT MONETARY AGGREGATES DO NOT APPEAR TO BE GROWING AT RATES BELOW THOSE CURRENTLY EXPECTED ~~consistent-with-moderate-growth in-monetary-aggregates-over-the-months-ahead.~~

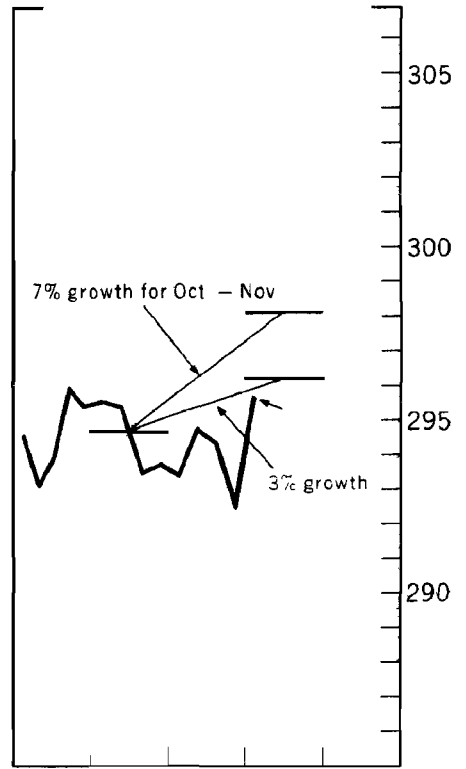
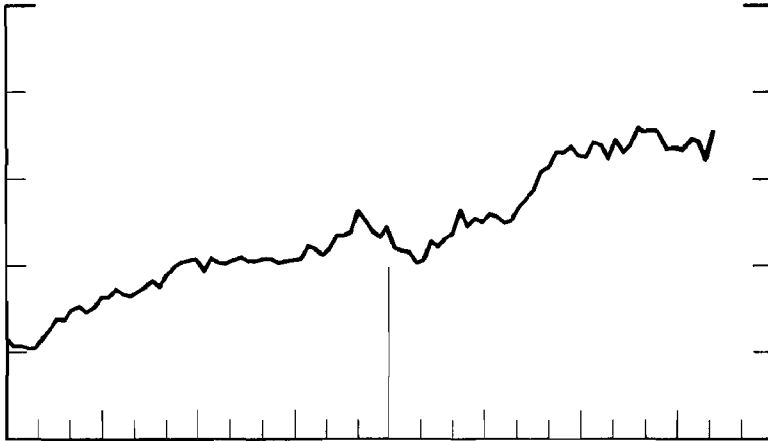
RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS



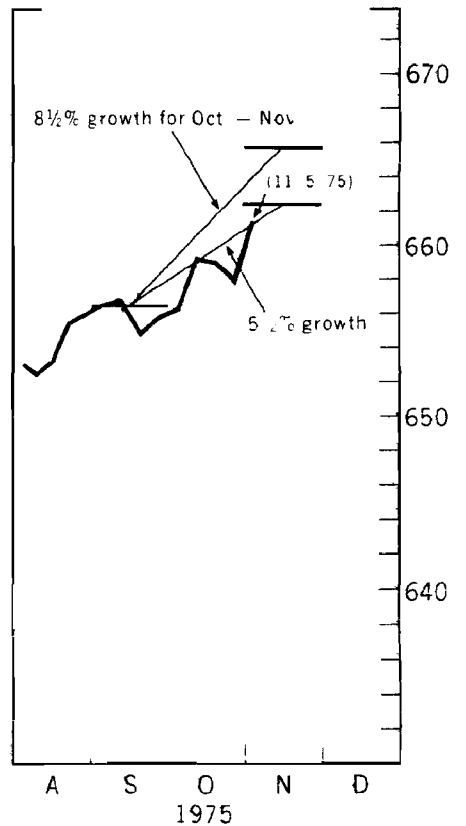
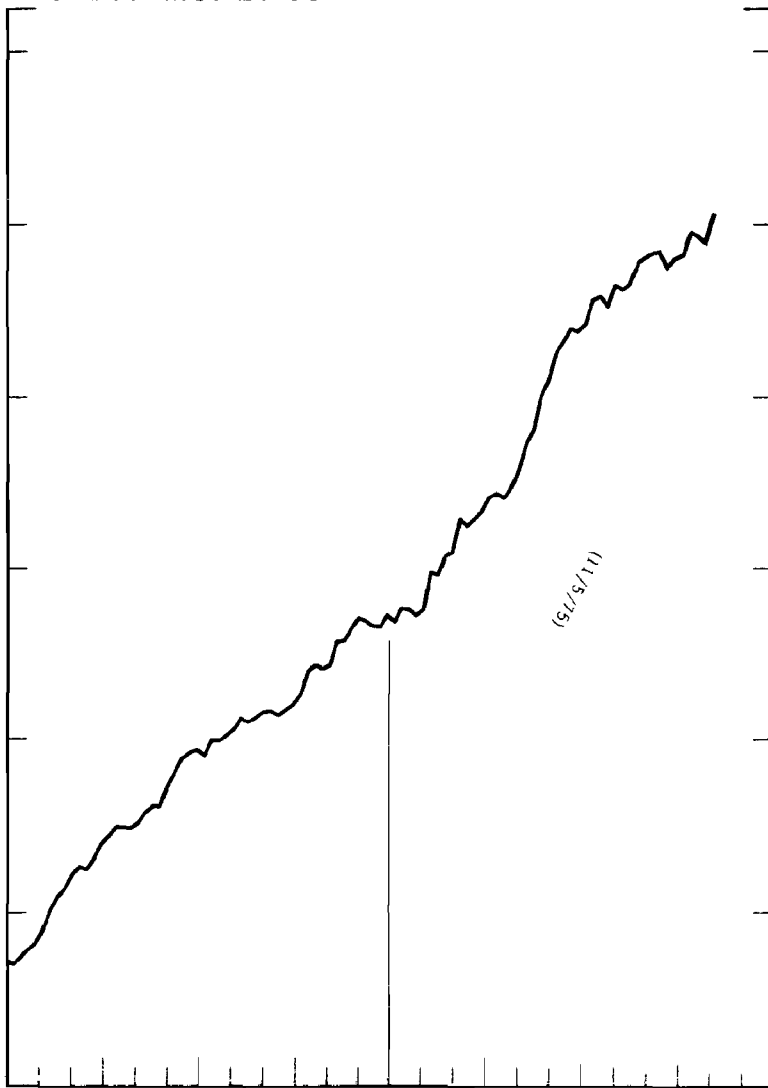
MONETARY AGGREGATES

NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY M2



1974

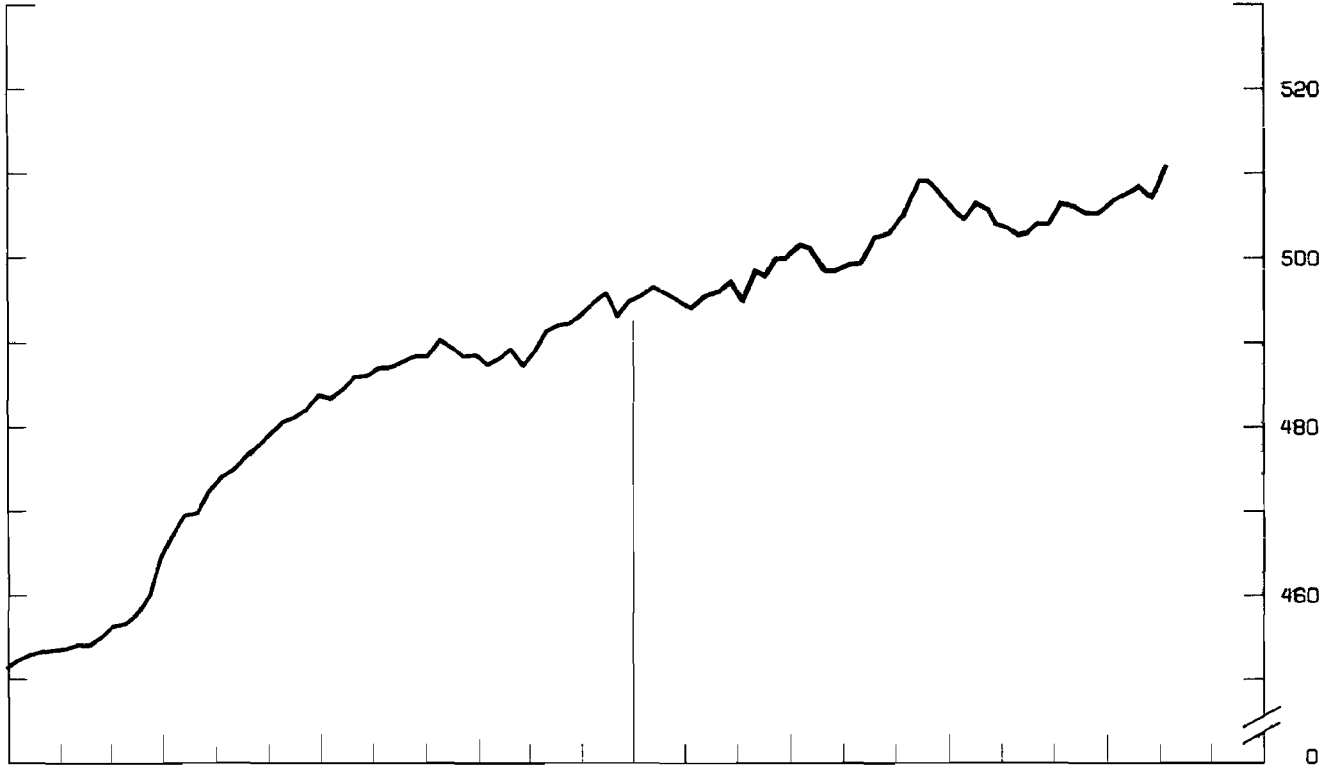
1975

A S O N D
1975

MONETARY AGGREGATES

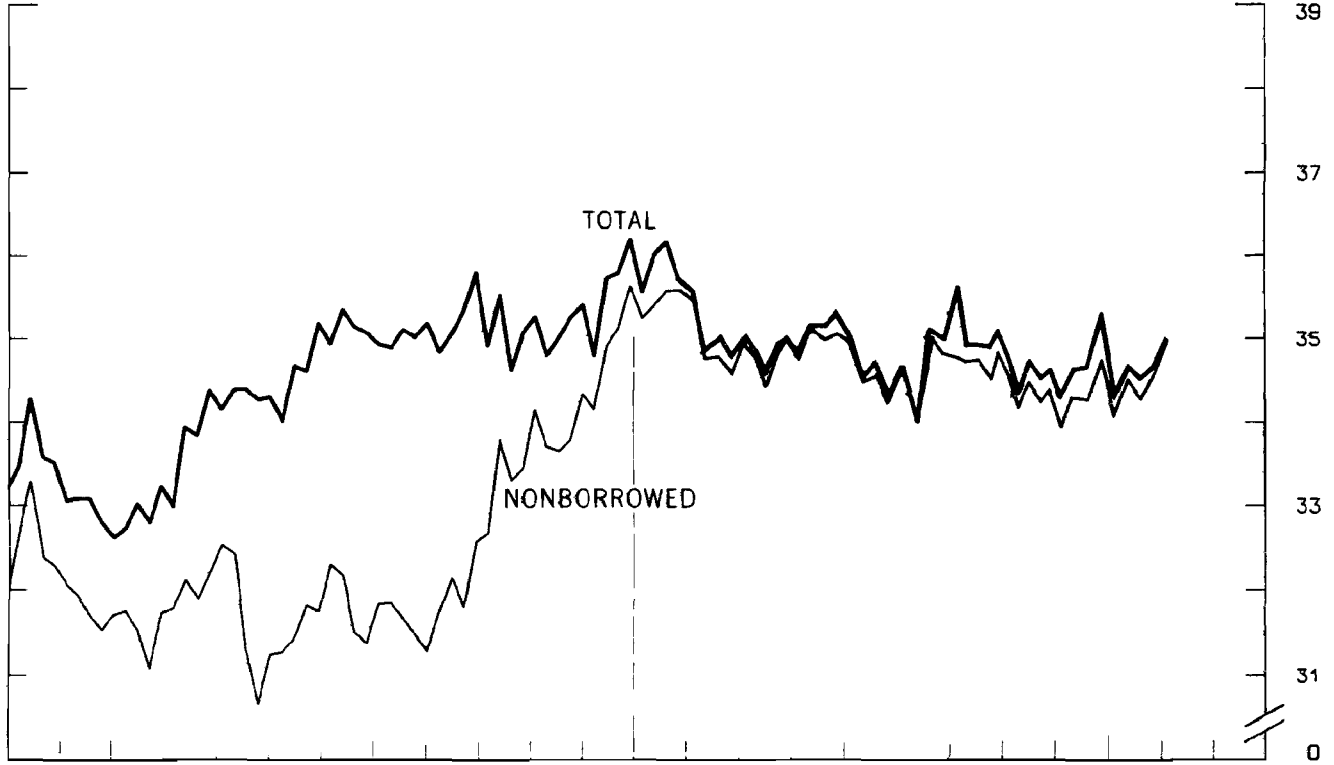
ADJUSTED CREDIT PROXY

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

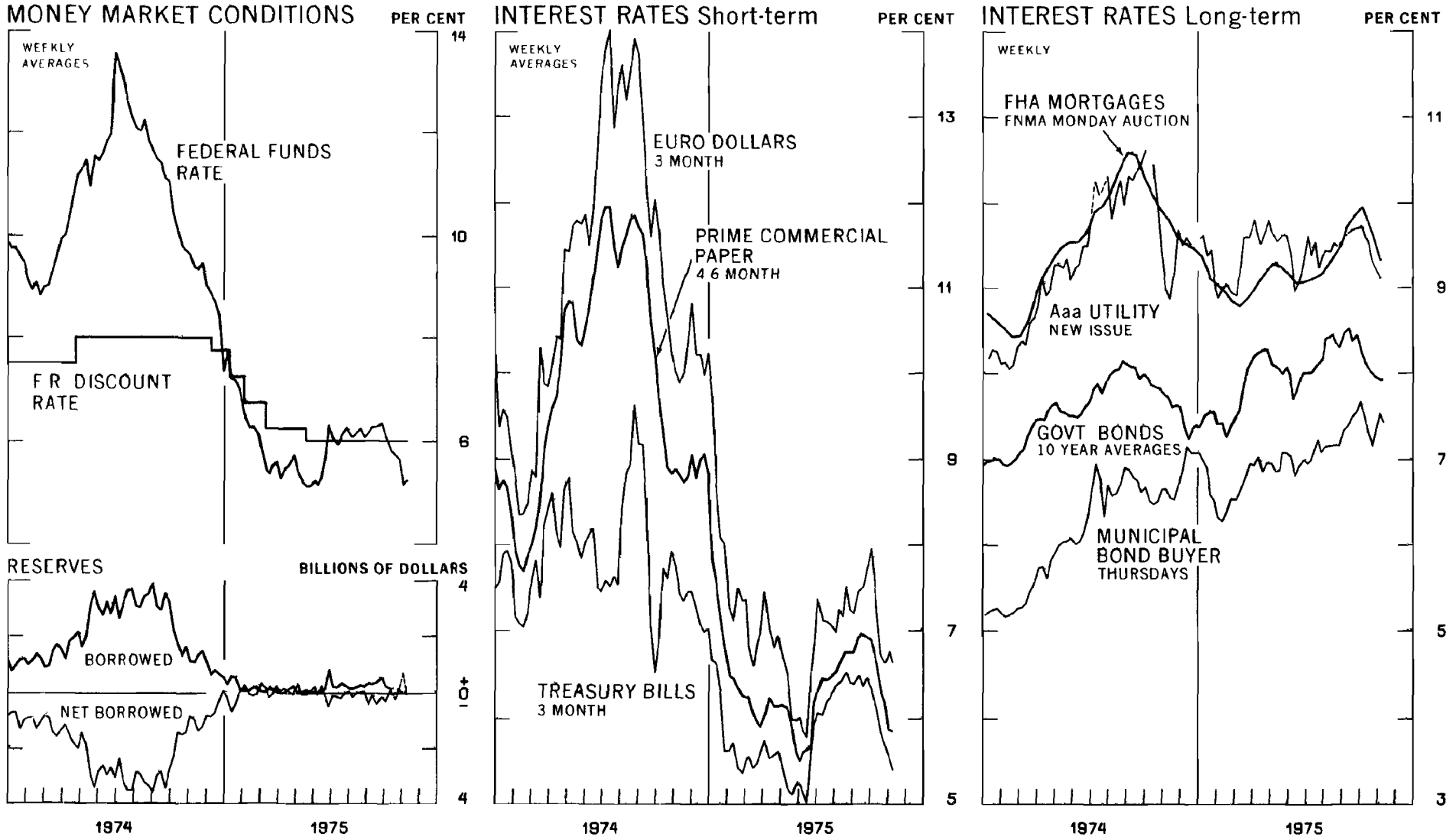


TABLE 1
BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

NOV. 14, 1975

Period	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES			
			Total Reserves	Nonborrowed Reserves	SEASONALLY ADJUSTED			
	SA	NSA			Total Required	Private Demand	Total Time Deposits	Gov't. and Interbank
	1	2	3	4	5	6	7	8
MONTHLY LEVELS--\$MILLIONS								
1975--AUG.	32,409	32,164	34,208	33,496	34,012	19,796	12,421	1,796
SEPT.	32,425	32,242	34,320	33,923	34,129	19,870	12,365	1,894
OCT.	32,355	32,257	34,259	34,069	34,050	19,628	12,519	1,904
NOV.	(32,537)	(32,549)	(34,547)	(34,485)	(34,286)	(19,693)	(12,584)	(2,010)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1975--1ST QTR.	-4.7		-8.4	-1.3	-7.8	-4.2	-3.4	
2ND QTR.	0.6		1.2	-0.2	1.2	11.7	-15.4	
3RD QTR.	-2.5		-2.2	-4.2	-2.1	1.4	-8.7	
QUARTERLY-AV								
1975--1ST QTR.	-1.4		-0.9	11.6	-0.7	-3.3	2.3	
2ND QTR.	-2.5		-3.7	-2.8	-3.6	5.0	-17.0	
3RD QTR.	-1.1		-0.8	-2.8	-1.1	5.7	-12.2	
MONTHLY								
1975--AUG.	-6.1		-14.6	-11.5	-14.9	-3.1	-12.2	
SEPT.	0.6		3.9	-2.6	4.1	4.5	-5.4	
OCT.	-2.6		-2.1	5.2	-2.8	-14.6	14.9	
NOV.	(6.8)		(10.1)	(14.7)	(8.3)	(4.0)	(6.2)	
OCT.-NOV.	(2.1)		(4.0)	(9.9)	(2.8)	(-5.2)	(10.6)	
WEEKLY LEVELS--\$MILLIONS								
1975--OCT. 1	32,744	32,911	34,929	34,348	34,467	19,879	12,406	2,183
8	32,088	31,819	33,945	33,706	33,969	19,655	12,457	1,857
15	32,502	32,344	34,312	34,139	33,999	19,660	12,525	1,809
22	32,052	31,992	34,153	33,920	34,124	19,483	12,540	2,101
29	32,519	32,535	34,320	34,225	34,034	19,478	12,556	1,800
NOV. 5	33,070	33,119	35,001	34,934	34,106	19,628	12,547	1,931
12	32,096	31,986	33,859	33,819	33,830	19,496	12,573	1,761

NOTE: RESERVE SERIES HAVE BEEN ADJUSTED TO REMOVE DISCONTINUITIES ASSOCIATED WITH CHANGES IN RESERVE REQUIREMENT RATIO. DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF OCT. 21, 1975 THE COMMITTEE AGREED ON A RPD RANGE OF 0.60 TO 4.0 PERCENT FOR THE OCT.-NOV. PERIOD.

Table 2

CONFIDENTIAL (F R.)
CLASS II FOMC
NOV. 14, 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
MONTHLY LEVELS-\$BILLIONS								
1975--AUG.	294.2	653.7	503.0	2.9	437.4	359.4	78.0	7.0
SEPT.	294.7	656.3	505.8	3.1	440.7	361.7	79.1	7.0
OCT.	294.0	658.5	508.0	2.9	445.8	364.5	81.3	7.9
NOV.	(296.7)	(664.7)	(511.7)	(3.4)	(449.0)	(367.5)	(81.1)	(7.4)
PERCENT ANNUAL GROWTH								
QUARTERLY								
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	6.3	-1.3		3.2	9.7	-23.6	
QUARTERLY-AV								
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.	0.9	10.4	1.4		4.9	13.2	-29.3	
MONTHLY								
1975--AUG.	2.4	5.9	-5.5		-4.6	8.1	-59.9	
SEPT.	2.0	4.8	6.7		9.1	7.7	16.9	
OCT.	-2.9	4.0	5.2		13.9	9.3	32.4	
NOV.	(11.0)	(11.3)	(8.7)		(8.6)	(11.2)	(-3.0)	
OCT.-NOV.	(4.1)	(7.7)	(7.0)		(11.3)	(10.3)	(15.2)	
WEEKLY LEVELS-\$BILLIONS								
1975--OCT. 1	293.7	655.8	505.3	1.9	443.0	362.1	80.9	7.1
8	293.4	656.3	506.9	2.9	444.5	362.4	81.6	7.5
15	294.7	659.1	507.9	3.3	445.8	364.4	81.4	7.8
22	294.3	659.0	508.7	3.5	445.7	364.6	81.0	8.4
29	292.5	658.0	507.2	2.3	446.7	365.5	81.3	7.9
NOV. 5 P	295.7	661.9	510.2	3.0	447.2	366.2	81.1	8.0

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/			In Reserve Categories		Δ Target
	Bills & Accept. (1)	Coupon Issues (2)	Agency Issues (3)	RP's Net (4)	Total (5)	Open Market Operations (6)	Δ Member Bank Borrowing (7)	Other 4/ Factors (8)	Req. res. against U.S.G. and interb. (9)	available res. 2/ (6)+(7)+(8)-(9) (10)	available reserves 5/ (11)
1975--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	-2,432	98	114	10
Oct.	147	--	284	15	445	1,276	-204p	-1,135p	7p	-70p	265
Nov.											278
Dec.											
1975--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	-2,157	61	766	
8	-240	--	--	-5,806	-6,047	-2,763	-343	1,922	-86	-1,098	
15	-932	--	--	1,548	616	-1,935	-65	2,462	-65	527p	
22	501	--	--	3,527	4,028	935	60	-1,112	236	-353p	
29	690	--	284	793	1,767	2,418	-138	-2,156p	-422p	546p	
Nov. 5	-85	--	-1	-7,526	-7,612	407	-28	-165p	82p	132p	
12	-910	--	--	6,114	5,204	-4,580	-27	3,465p	-95p	-1,047p	
19											
26											

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, FR. float, gold and foreign accounts, and other F.R. accounts.

5/ Reserves to support private nonbank deposits. Target change for October and November reflects the target adopted at the October 21, 1975 FOMC meeting.

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

P - Preliminary.

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

Period	Treasury Bills Net Change 2/	Treasury Coupons Net Purchases 3/					Federal Agencies Net Purchases 4/					Net Change Outright Holdings Total 5/	RP's Net 6/
		Within 1-year	1 - 5	5 - 10	Over 10	Total	Within 1-year	1 - 5	5 - 10	Over 10	Total		
1972	-490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	-46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	-154
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--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
Oct.	97	--	--	--	--	--	58	141	71	14	284	430	15
1975--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	479	--	--	--	--	--	--	--	--	--	--	502	3,527
29	671	--	--	--	--	--	58	141	71	14	284	974	793
Nov. 5	-93	--	--	--	--	--	--	--	--	--	--	-85	-7,526
12	-882	--	--	--	--	--	--	--	--	--	--	-910	6,114
19													
26													

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)

Period	U.S. Govt. Security Dealer Positions		Dealer Positions		Member Bank Reserve Positions				
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)	Excess** Reserves (5)	Borrowing at FRB**		Basic Reserve Deficit	
						Total (6)	Seasonal (7)	8 New York (8)	38 Others (9)
1974--High	3,678	2,203	253	384	577	3,906	176	-7,870	-12,826
Low	-289	-309	0	27	-168	647	13	-2,447	- 6,046
1975--High	7,029	2,845	464	389	462	871	74	-7,387	-11,390
Low	1,586	253	0	48	-50	18	5	-1,757	- 7,207
1974--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	191	397	58	-3,551	- 9,015
Oct.	5,766	1,480	14	123	207p	188p	65p	-2,644	- 9,202
1975--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	462	581	74	-2,575	- 7,207
8	5,812	846	0	154	-24	238	74	-2,663	- 9,923
15	7,029	1,576	17	86	313	173	66	-3,475	-10,042
22	*6,037	*1,835	10	110	29p	223p	63p	-2,236	- 9,398
29	*5,085	*1,456	25	122	286p	95p	61p	-2,206	- 7,661
Nov. 5	*4,928	*2,751	48	194	803p	67p	43p	-2,821p	- 8,819p
12	*4,050	*2,585	69p	110p	23p	40p	27p	-5,092p	-11,372p
19									
26									

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
		90-day	1-year	60-89 Day	90-119 Day	New Issue	Recently Offered				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
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--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
Oct.	5.82	5.96	6.48	6.35	6.08	6.45	9.45	9.43	7.39	8.35	9.80
1975--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	9.53	9.41	7.29	8.34	--
22	5.73	5.83	6.37	6.23	5.75	6.00	9.32	9.30	7.17	8.26	9.65
29	5.65	5.66	6.18	5.93	5.63	6.13	9.22	9.33	7.36	8.22	--
Nov. 5	5.17	5.52	5.87	5.88	5.88	6.13	9.10	9.24	7.52	8.19	9.32
12	5.24	5.39	5.86	5.81	5.63	6.00	9.08p	9.20p	7.43	8.19p	--
19											
26											
Daily--Nov. 6	5.31	5.51	5.90	5.88	--	--	--	--	--	8.19	--
13	5.22p	5.37	5.97	5.75	--	--	--	--	--	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 ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non borrowed	Available to Support Pvt Deposits	Adj Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:	(Per cent annual rates of growth)											
1972	10.8	7.4	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
SEMI-ANNUALLY:												
1ST HALF 1974	10.9	0.3	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	21.1	5.0	5.4	3.1	3.1	5.5	5.4	7.5	6.7	6.9	6.5
1ST HALF 1975	-3.6	-0.7	-2.1	5.3	5.1	6.0	10.6	13.0	7.5	10.7	10.1	9.9
QUARTERLY:												
4TH QTR. 1974	3.6	36.4	0.9	4.2	-1.0	5.3	6.7	6.9	9.0	8.4	8.1	6.5
1ST QTR. 1975	-8.4	-1.3	-4.7	3.1	5.7	0.8	7.6	9.9	6.3	8.8	7.9	7.6
2ND QTR. 1975	1.2	-0.2	0.6	7.5	4.6	11.2	13.4	15.7	8.6	12.3	12.0	11.9
3RD QTR. 1975	-2.2	-4.2	-2.5	-1.3	3.6	2.3	6.3	9.7	2.9	7.2	6.9	6.6
QUARTERLY-AV:												
4TH QTR. 1974	1.4	27.5	2.6	3.5	0.2	3.9	6.2	5.8	7.3	6.6	6.8	6.2
1ST QTR. 1975	-0.9	11.6	-1.4	4.1	1.0	-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	5.1	8.6	11.2	13.8	6.6	10.6	9.9	9.9
3RD QTR. 1975	-0.8	-2.8	-1.1	1.4	4.1	6.9	10.4	13.1	5.6	9.9	9.5	9.2
MONTHLY:												
1974--OCT.	-3.0	52.5	-1.3	-0.2	1.4	3.8	8.4	7.1	9.8	8.0	8.8	8.5
NOV.	-1.4	19.0	-2.5	5.2	5.0	8.5	7.9	7.7	5.7	6.2	5.8	3.6
DEC.	15.4	34.8	6.6	7.6	-9.4	3.4	3.7	5.9	11.4	10.8	9.4	7.3
1975--JAN.	7.9	19.5	0.0	3.6	4.7	-11.8	2.5	5.6	6.7	7.9	8.2	7.5
FEB.	-27.3	-19.0	-8.6	-0.2	4.3	3.4	8.4	9.9	6.1	8.2	7.0	6.9
MAR.	-5.6	-4.1	-5.5	5.8	7.9	11.0	11.6	13.9	6.1	10.2	8.2	8.5
APR.	8.2	8.1	2.9	5.1	3.4	3.4	7.3	11.7	4.2	9.2	9.6	9.5
MAY	-14.7	-13.2	-10.3	2.4	5.1	11.3	13.4	14.9	7.0	10.7	10.0	9.8
JUNE	10.3	4.7	9.1	15.1	5.1	18.7	19.2	19.8	14.3	16.7	16.3	15.9
JULY	4.1	1.5	-2.1	-5.2	2.0	2.0	8.2	12.2	4.1	9.1	9.2	8.8
AUG.	-14.6	-11.5	-6.1	-5.5	6.8	2.9	5.9	9.4	-1.5	4.4	3.7	3.4
SEPT.	3.9	-2.6	0.6	6.7	2.0	2.0	4.8	7.3	6.1	8.0	7.9	7.5
OCT. P	-2.1	5.2	-2.6	5.2	6.0	-2.9	4.0	6.9	7.2	8.7	8.5	8.1

NOTES: RESERVE REQUIREMENTS ON EURODOLLAR BORROWINGS ARE INCLUDED BEGINNING OCTOBER 15, 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 1-B

MONEY AND CREDIT AGGREGATE MEASURES

NOV. 14, 1975

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

Period	RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Available to Support Pvt Deposits	Adj Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:												
1972	30,016	28,966	27,734	406.4	559.0	255.8	525.7	844.9	569.7	888.8	985.5	1013.1
1973	32,377	31,078	30,272	448.7	634.6	271.5	572.2	919.6	636.0	983.4	1095.4	1133.6
MONTHLY:												
1974--OCT.	34,734	32,921	32,863	488.3	696.0	281.6	607.6	970.7	693.8	1056.9	1180.1	1223.5
NOV.	34,693	33,441	32,795	491.2	697.4	283.6	611.6	976.9	697.1	1062.4	1185.8	1227.2
DEC.	35,138	34,411	32,975	494.3	691.9	284.4	613.5	981.7	703.7	1072.0	1195.1	1234.7
1975--JAN.	35,368	34,970	32,974	495.8	694.6	281.6	614.8	986.3	707.6	1079.1	1203.3	1242.4
FEB.	34,564	34,417	32,739	495.7	697.1	282.4	619.1	994.4	711.2	1086.5	1210.3	1249.5
MAR.	34,404	34,298	32,588	498.1	701.7	285.0	625.1	1005.9	714.8	1095.7	1218.6	1258.3
APR.	34,640	34,530	32,668	500.2	703.7	285.8	628.9	1015.7	717.3	1104.1	1228.3	1268.3
MAY	34,216	34,150	32,388	501.2	706.7	288.5	635.9	1028.3	721.5	1113.9	1238.5	1278.7
JUNE	34,510	34,283	32,633	507.5	709.7	293.0	646.1	1045.3	730.1	1129.4	1255.3	1295.6
JULY	34,628	34,326	32,575	505.3	710.9	293.5	650.5	1055.9	732.6	1138.0	1264.9	1305.1
AUG.	34,208	33,996	32,409	503.0	714.9	294.2	653.7	1064.2	731.7	1142.2	1268.8	1308.8
SEPT.	34,320	33,923	32,425	505.8	716.1	294.7	656.3	1070.7	735.4	1149.8	1277.1	1317.0
OCT. P	34,259	34,069	32,355	508.0	719.7	294.0	658.5	1076.9	739.8	1158.1	1286.1	1325.9
WEEKLY:												
1975--SEPT. 10	33,935	33,550	32,241	506.4		295.5	656.5		734.6			
17	34,258	33,931	32,473	506.2		295.4	656.8		735.5			
24	34,279	33,884	32,265	505.3		293.5	654.8		734.5			
OCT. 1	34,929	34,348	32,744	505.3		293.7	655.8		736.7			
8	33,945	33,706	32,088	506.9		293.4	656.3		737.9			
15	34,312	34,139	32,502	507.9		294.7	659.1		740.5			
22P	34,153	33,920	32,052	508.7		294.3	659.0		740.0			
29P	34,320	34,225	32,519	507.2		292.5	658.0		739.3			
NOV. 5P	35,001	34,934	33,070	510.2		295.7	661.9		743.0			

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 M₃, M₅, M₆, M₇, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

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

P - PRELIMINARY

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares ^{1/}	Credit Union Shares ^{1/}	CD's	Savings Bonds ^{1/}	Short Term U S Gov't Securities	Commercial Paper ^{1/}		
	1	2	3	4	5	6	7	8	9	10		
ANNUALLY:				(Per cent annual rates of growth)								
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		
SEMI-ANNUALLY:												
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		
QUARTERLY:												
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	1.4	3.3	9.7	15.5	11.8	-23.8	6.8	2.0	-4.0		
QUARTERLY-AV:												
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		
MONTHLY:												
1974--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.	1.7	2.2	9.1	7.7	12.3	0.0	16.9	7.3	5.9	-3.0		
OCT. P	10.0	-7.0	13.9	9.3	11.6	11.4	33.4	7.3	5.9	0.0		

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

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

P - PRELIMINARY.

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

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares ^{1/}	Credit Union Shares ^{1/}	CD's	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities	Commercial Paper ^{1/}	Non-deposit Funds	U.S. Gov't Demand
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:												
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
MONTHLY:												
1974--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
1975--JAN.	68.2	213.4	426.0	333.2	343.6	27.9	92.7	63.2	61.1	39.1	7.6	0.7
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
APR.	69.5	216.3	431.5	343.1	357.4	29.4	88.4	64.1	60.2	40.0	6.7	2.1
MAY	70.2	218.3	432.9	347.4	362.5	29.9	85.5	64.4	60.2	40.2	7.4	2.1
JUNE	71.1	221.9	437.1	353.1	368.6	30.6	84.1	64.7	61.2	40.3	7.0	3.8
JULY	71.4	222.1	439.1	357.0	374.4	31.0	82.1	65.1	61.8	40.2	6.8	2.5
AUG.	71.9	222.5	437.4	359.4	379.0	31.5	78.0	65.4	61.2	40.0	7.0	2.9
SEPT.	72.0	222.7	440.7	361.7	382.9	31.5	79.1	65.8	61.5	39.9	7.0	3.1
OCT. P	72.6	221.4	445.8	364.5	386.6	31.8	81.3	66.2	61.8	39.9	7.9	2.9
WEEKLY:												
1975--SEPT.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
OCT. 1	72.0	221.7	443.0	362.1			80.9				7.1	1.9
8	72.5	221.0	444.5	362.9			81.6				7.5	2.9
15	72.6	222.1	445.8	364.4			81.4				7.8	3.3
22P	72.5	221.9	445.7	364.6			81.0				8.4	3.5
29P	72.7	219.9	446.7	365.5			81.3				7.9	2.3
NOV. 5P	72.8	222.9	447.3	366.2			81.1				8.0	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)

		M_1		M_2		M_3	
		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	6.3	10.4	9.7	13.1

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

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

Appendix Table IV

Projected Federal Funds Rates

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1975	QIV	5½	5½	5¾
1976	QI	6½	6½	6½
	QII	7½	7½	6¾
	QIII	7½	7½	6¾