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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

April 15, 1977

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M_1 expanded at about a $5\frac{1}{2}$ per cent annual rate in March. However, growth accelerated sharply in the early weeks of April, partly, it seems, as a result of earlier-than-usual disbursement of the regular monthly social security payments. For the March-April period, M_1 is now projected to increase at about a $9\frac{1}{2}$ per cent annual rate--above the $8\frac{1}{2}$ per cent upper limit of the Committee's desired range. M_2 grew at somewhat more than an 8 per cent annual rate in March. While its growth also accelerated in early April, this was due entirely to the more rapid expansion of M_1 ; the March-April growth for M_2 still appears to be well below the upper limit of the Committee's range. Nonborrowed reserves fell in March. With the recent pick-up in deposit growth at member banks, however, they are expected to grow rapidly in April.

Growth in Monetary Aggregates
over March-April period 1/
(SAAR in per cent)

	<u>Ranges</u>	<u>Latest Estimates</u>
M ₁	4½ to 8½	9.2
M ₂	7 to 11	9.8

Memorandum:

Federal funds rate
(per cent per annum)

	<u>Avg. for statement week ending</u>
Mar. 16	4.62
23	4.77
30	4.74
Apr. 6	4.60
13	4.65

1/ These figures do not incorporate the quarterly benchmark revisions of monetary aggregates that will be published on April 21. The benchmark revisions (based on the September call report) are relatively small. The level of M₁ for recent months revised up no more than \$700 million. The monthly levels of M₂ were adjusted by even smaller amounts. All tables on subsequent pages of this report (with the exception of Tables 1 and 2, following the charts) are based on the new series. The new and old series are compared in Appendix V.

(2) Over most of the intermeeting period, incoming data suggested that March-April growth rates for M₁ and M₂ would be well within their respective ranges. The Desk, therefore, continued to aim for a Federal funds rate in the area of 4-5/8--4¾ per cent. Most recently, with growth in M₁ exceeding its two-month range, the Desk has sought a funds rate around 4¾ per cent.

(3) Credit demands have remained sizable in recent weeks. Business short-term borrowing appears to have slackened from the high rate of January-February, but public offerings of long-term corporate bonds have picked up a little. State and local governments security

issues have remained very large. The Federal Government borrowed \$3.6 billion of new cash through issues of 2- and 5-year notes since the March FOMC meeting. In addition the Treasury sold \$4.5 billion of short-dated cash management bills to bridge a low point in its cash balance prior to the April tax date.

(4) Market interest rates showed little change over most of the intermeeting period. But when the President's intention to withdraw the rebate program became known, interest rates fell sharply. The subsequent publication of data indicating a record weekly growth of M_1 in early April had very little offsetting market impact. On balance, over the intermeeting period, most short-term rates have declined 5 to 15 basis points, bond yields are down 10 to 20 basis points, and intermediate-term Treasury coupon yields are off as much as 35 basis points.

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

	1975 & 1976 Average	Past Twelve Months Mar. '77 over Mar. '76	Past Six Months Mar. '77 over Sept. '76	Past Three Months Mar. '77 over Dec. '76	Past Month Mar. '77 over Feb. '77
Nonborrowed reserves	1.4	2.2	2.6	-2.4	-4.2
Total reserves	0.4	2.4	2.9	-1.8	-3.0
Monetary Base	6.5	7.0	6.6	5.2	5.0
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	5.2	6.0	6.0	4.2	6.1
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	10.4	10.5	10.6	8.0	8.0
M ₃ (M ₂ plus deposits at thrift institutions)	13.0	12.4	12.1	9.7	8.9
M ₄ (M ₂ plus CD's)	7.2	8.0	9.5	6.8	5.9
M ₅ (M ₃ plus CD's)	10.7	10.7	11.3	8.9	7.5
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	4.5	5.1	7.2	2.9	7.1
Loans and investments of commercial banks <u>2/</u>	6.0	8.6	9.8	11.5	10.7
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-1.1	-0.9	-0.2	-0.4	-1.1
Nonbank commercial paper	0.0	0.2	0.2	0.1	-0.4

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

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

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

Prospective developments

(6) Alternative longer-run ranges for the monetary aggregates are shown below for Committee consideration. Alternatives A through C are the staff's estimates of consistent sets of specifications that pertain to the one-year QI '77-QI '78 period. The ranges earlier adopted by the Committee for the QIV '76-QIV '77 period are shown in the fourth column.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Current</u>
M ₁	5½-7½	4½-6½	3½-5½	4½-6½
M ₂	8-11	6½-9½	5½-8½	7-10
M ₃	9-12	7½-10½	6-9	8½-11½
Bank credit proxy	8½-11½	7½-10½	7-10	7-10

(7) Alternative B encompasses a one-year growth rate for M₁ of 4½-6½ per cent, the same range as is currently in place. However, growth ranges for M₂ and M₃ under this alternative are lower--by ½ percentage point for M₂ and 1 percentage point for M₃. Lower ranges for the broader aggregates relative to M₁ are expected mainly because the new ranges now apply to a period that excludes QIV '76, when relatively low market rates produced large inflows of time and savings deposits at depository institutions, and instead includes QI '78, when relatively high market interest rates are expected to dampen such flows.^{1/}

(8) Shorter-run ranges for the monetary aggregates and the Federal funds rate that are thought to be consistent with the

^{1/} Appendix I compares terminal levels of M₁ and M₂ under the proposed alternatives with levels implicit in the current ranges.

various longer-run ranges are presented below. (Detailed data are shown in the tables on pp. 7 and 8).

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for April-May			
M ₁	6½-10½	6-10	5½-9½
M ₂	8½-12½	8-12	7½-11½
Federal funds rate (intermeeting period)	3¾-4¾	4½-5½	4¾-5¾

(9) Under alternative B (as well as the other two alternatives), growth in M₁ is expected to be relatively sizable in the April-May period, reflecting the large increase in M₁ that is apparently under way in April. We expect the exceptionally large April growth to be partly offset by relatively small growth rates in May and June. However, for the second quarter, M₁ is anticipated to grow at about a 7 per cent annual rate, a more rapid pace than in the past few quarters, reflecting the recent strengthening of economic activity and presumably also of transactions demands for money.

(10) M₂ growth under alternative B is expected to be in an 8-12 per cent annual rate range during the April-May period, and to expand at about a 9½ per cent annual rate from the first to second quarter. Time and savings deposits other than large CD's are expected to expand over the next few weeks at close to their recent pace, given a Federal funds rate around the mid-point of a 4½-5½ per cent range.

(11) Over the next few weeks, demands on credit markets are likely to be quite moderate. Without the rebate program, Treasury

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>
1977	March	316.1	316.1	316.1	754.1	754.1	754.1	1265.9	1265.9	1265.9
	April	319.6	319.6	319.6	761.3	761.3	761.3	1277.7	1277.7	1277.7
	May	320.7	320.4	320.2	767.5	766.7	765.9	1289.2	1287.9	1286.5
1976	QIV	311.3	311.3	311.3	732.2	732.2	732.2	1223.1	1223.1	1223.1
1977	QI	315.0	315.0	315.0	749.4	749.4	749.4	1256.7	1256.7	1256.7
	QII	320.9	320.5	320.1	767.6	766.6	765.6	1289.5	1287.8	1286.1
	QIII	325.7	324.9	323.7	785.0	782.2	778.7	1323.0	1317.3	1310.4
	QIV	330.6	329.0	326.1	801.7	796.7	789.7	1355.1	1344.1	1330.8
1978	QI	335.6	332.3	329.1	818.6	810.0	800.9	1387.7	1369.1	1351.0
<u>Growth Rates</u>										
Monthly:										
1977	April	13.3	13.3	13.3	11.5	11.5	11.5	11.2	11.2	11.2
	May	4.1	3.0	2.3	9.8	8.5	7.3	10.8	9.6	8.3
Quarterly Average:										
1977	QI	4.8	4.8	4.8	9.4	9.4	9.4	11.0	11.0	11.0
	QII	7.5	7.0	6.5	9.7	9.2	8.6	10.4	9.9	9.4
	QIII	6.0	5.5	4.5	9.1	8.1	6.8	10.4	9.2	7.6
	QIV	6.0	5.0	3.0	8.5	7.4	5.7	9.7	8.1	6.2
1978	QI	6.0	4.0	3.7	8.4	6.7	5.7	9.6	7.4	6.1
<u>Semi-annual</u>										
	QI '77-QIII '77	6.8	6.3	5.5	9.5	8.8	7.8	10.6	9.6	8.5
	QIII '77-QI '78	6.1	4.6	3.3	8.6	7.1	5.7	9.8	7.9	6.2
<u>Annual</u>										
	QIV '76-QIV '77	6.2	5.7	4.8	9.5	8.8	7.9	10.8	9.9	8.8
	QI '77-QI '78	6.5	5.5	4.5	9.2	8.1	6.9	10.4	8.9	7.5

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>
1977	March	816.3	816.3	816.3	1328.1	1328.1	1328.1	542.7	542.7	542.7
	April	823.5	823.5	823.5	1339.9	1339.9	1339.9	545.6	545.6	545.6
	May	829.1	828.5	827.8	1350.9	1349.7	1348.5	548.2	547.8	547.3
1976	QIV	794.9	794.9	794.9	1285.7	1285.7	1285.7	533.9	533.9	533.9
1977	QI	812.2	812.2	812.2	1319.5	1319.5	1319.5	541.0	541.0	541.0
	QII	829.4	828.5	827.8	1351.3	1349.7	1348.3	548.9	548.4	547.9
	QIII	848.0	845.7	843.2	1386.0	1380.8	1375.0	562.5	561.0	559.7
	QIV	867.2	863.4	858.6	1420.5	1410.9	1399.7	575.9	573.7	571.0
1978	QI	887.5	880.9	874.5	1456.6	1439.9	1424.6	594.0	590.0	586.4
<u>Growth Rates</u>										
Monthly:										
1977	April	10.6	10.6	10.6	10.7	10.7	10.7	6.4	6.4	6.4
	May	8.2	7.3	6.3	9.9	8.8	7.7	5.7	4.8	3.7
Quarterly Averages:										
1977	QI	8.7	8.7	8.7	10.5	10.5	10.5	5.3	5.3	5.3
	QII	8.5	8.0	7.7	9.6	9.2	8.7	5.8	5.5	5.1
	QIII	9.0	8.3	7.4	10.3	9.2	7.9	9.9	9.2	8.6
	QIV	9.1	8.4	7.3	10.0	8.7	7.2	9.5	9.1	8.1
1978	QI	9.4	8.1	7.4	10.2	8.2	7.1	12.6	11.4	10.8
<u>Semi-annual</u>										
	QI '77-QIII '77	8.8	8.2	7.6	10.1	9.3	8.4	7.9	7.4	6.9
	QIII '77-QI '78	9.3	8.3	7.4	10.2	8.6	7.2	11.2	10.3	9.5
<u>Annual</u>										
	QIV '76-QIV '77	9.1	8.6	8.0	10.5	9.7	8.9	7.9	7.5	6.9
	QI '77-QI '78	9.3	8.5	7.7	10.4	9.1	8.0	9.8	9.1	8.4

borrowing in the second quarter will be reduced by about \$8½ billion. As a result, the Treasury probably will raise no, or very little, new cash in the market between now and mid-year. The Treasury will announce terms of its mid-May refunding on April 27, and this may well be a routine package of intermediate- and longer-term coupon issues to replace \$4.3 billion of publicly held maturing obligations. Corporate bond offerings during the spring are expected to run below the monthly average pace of the first quarter, according to market reports, but offerings of municipal bonds are expected to remain sizable.

(12) After mid-year, Treasury demands on credit markets will strengthen considerably. Total private credit demands are also expected to expand along with continued relatively rapid growth in economic activity. With demands for money also anticipated to be rather substantial, interest rates, particularly short-term rates, are likely to rise substantially in the second half of the year if growth in the monetary aggregates is to be maintained around the mid-points of the longer-run ranges shown for alternative B. As shown in appendix III, the staff expects the funds rate under alternative B to average around 4-7/8 per cent in the current quarter, to rise to 5½ per cent in the third, and to reach about 6½ per cent by the first quarter of 1978.

(13) These interest rate projections are a little lower than shown in recent blue books for a longer-run M_1 growth rate in a 4½-6½ per cent range. In part this reflects reduced Treasury credit demands. But

it also takes account of the possibility that the demand for money may be somewhat less relative to GNP than we earlier thought--as might be suggested by the acceleration in the income velocity of M_1 that occurred during the first quarter of this year without any accompanying rise in short-term rates. Velocity figures for all three alternatives are shown in appendix IV.

(14) The projected rise in market interest rates will lead to slower inflows of time and savings deposits other than large CD's to banks and thrift institutions as the year progresses even though institutions that had earlier reduced offering rates on such deposits are likely to re-establish ceiling rates. With loan demands at banks expected to be at least as strong as in the past few months, banks can be expected both to cut down on acquisitions of Treasury securities and also to expand their outstanding volume of CD's. Thrift institutions are also likely to reduce their liquidity over the year--with savings and loan associations increasing their borrowing from the Home Loan Bank System--in order to accommodate outstanding commitments and to become more cautious in making new commitments. As a result the mortgage market would come under increasing pressure. The extent of upward rate pressure in long-term markets in general under this alternative may be fairly moderate, though, given the large cash flow to institutional investors, particularly insurance companies, and assuming inflationary expectations do not worsen.

(15) Alternative A contemplates an easing of money market conditions between now and the next Committee meeting, with the funds

rate dropping to the mid-point of a $3\frac{3}{4}$ - $4\frac{3}{4}$ per cent range. Such a move would be accompanied by somewhat greater growth in the monetary aggregates than under alternative B over the April-May period. In particular, there may be substantial inflows into savings deposits as short-term market rates drop significantly further below ceiling rates on such deposits. This would, of course, increase pressure on institutions to shave their offering rates.

(16) The lower interest rates associated with this alternative over the next few weeks are not likely to prove sustainable, however. In view of the apparent strength of the economy, interest rates may be expected to rise even with the more rapid longer-run growth in the monetary aggregates encompassed by alternative A. The increase in rates would probably be moderate, though, with the funds rate rising to about $5\frac{1}{2}$ per cent by the first quarter of next year.

(17) Alternative C involves an increase in the Federal funds rate between now and the next Committee meeting to around $5\frac{1}{2}$ per cent, the mid-point of a $4\frac{3}{4}$ - $5\frac{3}{4}$ per cent range. Such a funds rate increase at this time may be accompanied by a rise in bill rates of roughly the same magnitude over the next few weeks. The extent of adjustment in bill, as well as longer-term, rates will depend in large part on the market's assessment of the interest rate outlook and on the market's technical condition. At present, dealer positions are relatively low, particularly in the coupon area, and this would tend to moderate upward interest rate adjustments. On the other hand, if many market participants do not expect the Fed to let the money market tighten at this time, evidence of a tightening could cause a more substantial market reaction.

(18) The immediate tightening of the money market contemplated under alternative C would also more quickly set in train the market and institutional responses described in paragraph (14). Inflows of time and savings deposits would begin to slow in the weeks ahead as the bill rate moved close to and perhaps above the passbook ceiling rate. Large commercial banks could be expected to become more aggressive in the market for CD's and nondeposit sources of funds. And thrift institutions would begin re-evaluating their mortgage market participation.

(19) If the growth in M_1 over the QI '77-QI '78 period is to be constrained to around the mid-point of the $3\frac{1}{2}$ - $5\frac{1}{2}$ per cent longer-run range of alternative C, further firming in money market conditions would probably be required as the year progresses. Pressures on financial institutions would, of course, intensify. The staff expects that the Federal funds rate would have to rise to about $6\frac{1}{2}$ per cent in the third quarter and $7\frac{1}{2}$ per cent by early 1978.

Directive language

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

"Monetary Aggregates" Formulation

The Committee seeks to encourage near-term rates of growth in M-1 and M-2 on a path believed to be reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, at present, it expects the annual growth rates over the ~~March-April~~ APRIL-MAY period to be within the ranges of ~~4-1/2-to-8-1/2~~ _____ to _____ per cent for M-1 and ~~7-to-11~~ _____ to _____ per cent for M-2. In the judgment of the Committee such growth rates are likely to be associated with a weekly average Federal funds rate of about ~~4-5/8-to-4-3/4~~ _____ per cent. If giving,

approximately equal weight to M-1 and M-2, it appears that growth rates over the 2-month period will deviate significantly from the midpoints of the indicated ranges, the operational objective for the Federal funds rate shall be modified in an orderly fashion within a range of ~~4-1/4 to 5-1/4~~ _____ to _____ per cent.

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

"Money Market" Formulation

At this time, the Committee seeks to maintain about the prevailing money market conditions (or to achieve somewhat easier or somewhat firmer money market conditions) during the period immediately ahead, provided that monetary aggregates appear to be growing at approximately the rates currently expected, which are believed to be on a path reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, the Committee seeks to maintain the weekly average Federal funds rate at about _____ per cent, so long as M-1 and M-2 appear to be growing over the APRIL-MAY period at annual rates within ranges of _____ to _____ per cent and _____ to _____ per cent,

respectively. If, giving approximately equal weight to M-1 and M-2, it appears that growth rates over the 2-month period are approaching or moving beyond the limits of the indicated ranges, the operational objective for the weekly average Federal funds rate shall be modified in an orderly fashion within a range of _____ to _____ per cent.

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

Appendix I

Comparison of Levels of M_1 and M_2 Under Current
and Proposed Longer-run Ranges
(\$ billion; based on revised series)

<u>Terminal Quarters</u>	<u>M_1</u>			
	Level Based on Growth From QIV '76 at a $5\frac{1}{2}$ Per Cent Annual Rate	Levels based on longer-run growth from QI '77 at rates assumed in:		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
QIV '77	328.4	330.6	329.0	326.1
QI '78	332.9	335.6	332.3	329.1

	<u>M_2</u>			
	Growth From QIV at an $8\frac{1}{2}$ Per Cent Rate			
QIV '77	794.4	801.7	796.7	789.7
QI '78	811.3	818.6	810.0	800.9

NOTE: The last three columns assume that growth around the mid-points of the proposed ranges is achieved and are the same numbers as shown in the table on p. 7.

The table above facilitates comparison of longer-run paths proposed in the present blue book with the Committee's current longer-run path. The first column of numbers shows the level of M_1 and M_2 in the fourth quarter of 1977 implied by the mid-point growth rate of the longer-run path (which takes QIV '76 as the base) and in the first quarter of 1978 on the assumption that the mid-point growth rate is

extended for one more quarter. The last three columns shown levels in the fourth quarter of 1977 and the first quarter of 1978 implied by the alternatives presented in the present blue book (which take QI '77 as the base).

Of the three alternatives presented, alternative B is closest to the current longer-run path. By the first quarter of 1978, the levels of M_1 and M_2 under B are only two-tenths of 1 per cent different from those implied by the current path. Terminal levels under alternatives A and C are about $3/4$ of a per cent to $1\frac{1}{2}$ per cent different from those implied by the current path.

Appendix II

Expansion in Reserves Over the Period
From QI '77 to QIII '77 Consistent
With Proposed Alternatives
(Seas. adj. annual rates)

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Nonborrowed Reserves	6.6	4.9	2.0
Total Reserves	6.6	6.1	5.6
Monetary Base	8.1	8.0	7.8

Shown above are 6-month growth rates in various reserve measures consistent with the mid-points of the alternative longer-run paths for the monetary aggregates presented in this blue book.

Appendix III

Projected Federal Funds Rate

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977, QII	4-3/8	4-7/8	5½
QIII	4¾	5½	6½
QIV	5-3/8	6½	7
1978, QI	5½	6½	7½

Appendix IV

Implied Velocity Growth Rates

<u>V₁</u> (GNP/M ₁)	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977 II	4.4	4.8	5.2
III	5.0	5.2	5.8
IV	6.8	7.2	8.3
1978 I	6.7	7.4	7.0
<u>V₂</u> (GNP/M ₂)			
1977 II	2.2	2.6	3.1
III	2.0	2.6	3.5
IV	4.3	4.8	5.6
1978 I	4.3	4.7	5.0

Appendix V
Comparisons of Old and Revised Money Stock Growth Rates

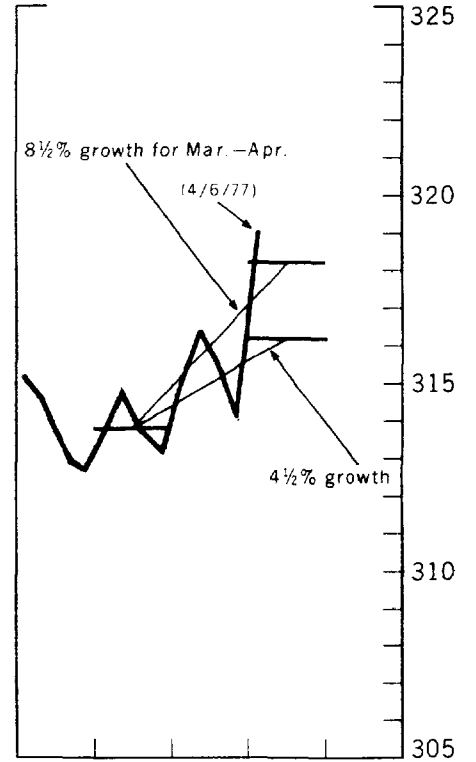
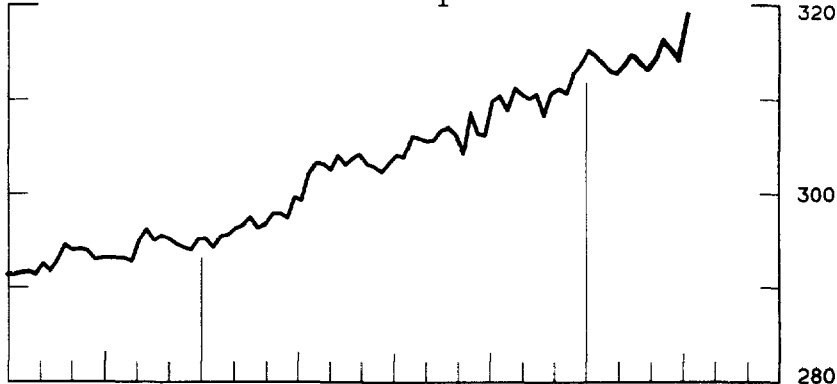
	<u>M₁</u>		<u>M₂</u>		<u>M₃</u>	
	<u>Old</u>	<u>Revised</u>	<u>Old</u>	<u>Revised</u>	<u>Old</u>	<u>Revised</u>
1976--July	7.1	7.1	12.0	12.0	12.8	12.8
August	5.1	5.9	9.0	8.8	12.5	12.3
September	1.2	1.6	10.1	10.0	13.3	13.3
October	13.7	14.1	15.7	15.7	16.8	16.7
November	0.0	0.4	10.1	9.9	12.3	12.2
December	8.1	8.5	12.6	12.5	13.0	13.0
1977--January	5.4	5.8	9.2	9.3	11.3	11.2
February	0.8	0.8	6.8	6.6	8.6	8.8
March	5.4	6.1	8.2	8.0	8.7	8.9
Quarterly: ^{1/}						
1976--I	4.5	4.5	11.0	11.0	12.4	12.4
II	6.8	6.8	9.1	9.1	10.7	10.7
III	4.5	4.9	10.5	10.4	13.0	12.9
IV	7.3	7.7	13.0	12.8	14.2	14.1
1977--I	3.8	4.2	8.1	8.0	9.6	9.7
Quarterly Average:						
1976--I	2.9	2.9	9.9	9.9	11.5	11.4
II	8.2	8.2	10.5	10.5	11.8	11.8
III	4.2	4.4	9.2	9.1	11.4	11.4
IV	6.3	6.7	12.3	12.2	14.3	14.2
1977--I	4.4	4.8	9.4	9.4	11.0	11.0

^{1/} End-month-of-quarter to end-month-of-quarter

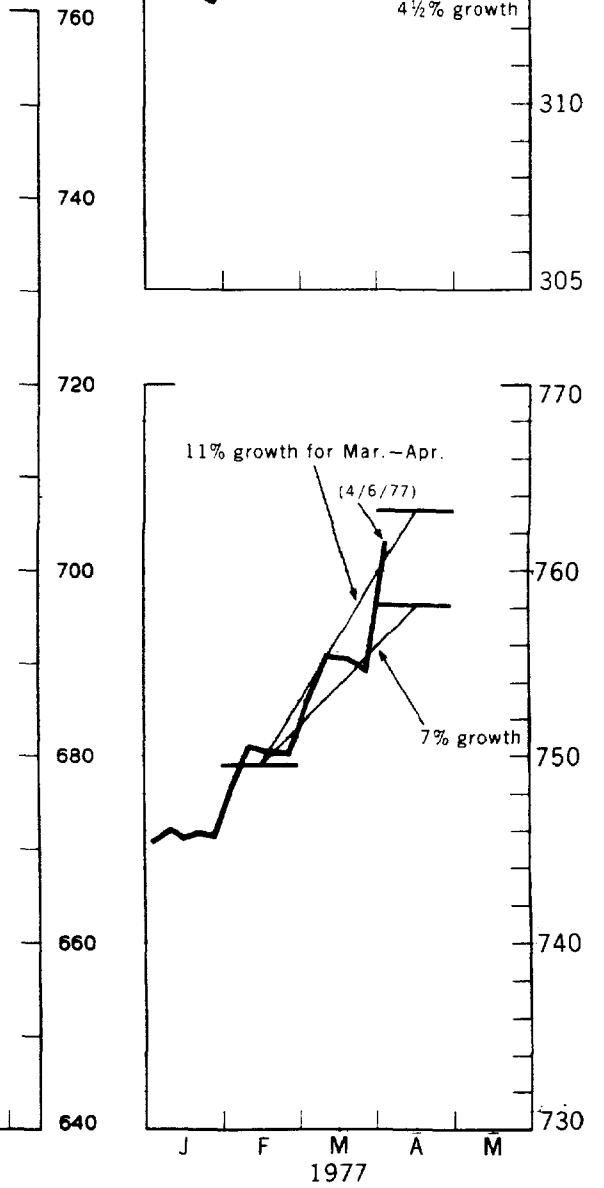
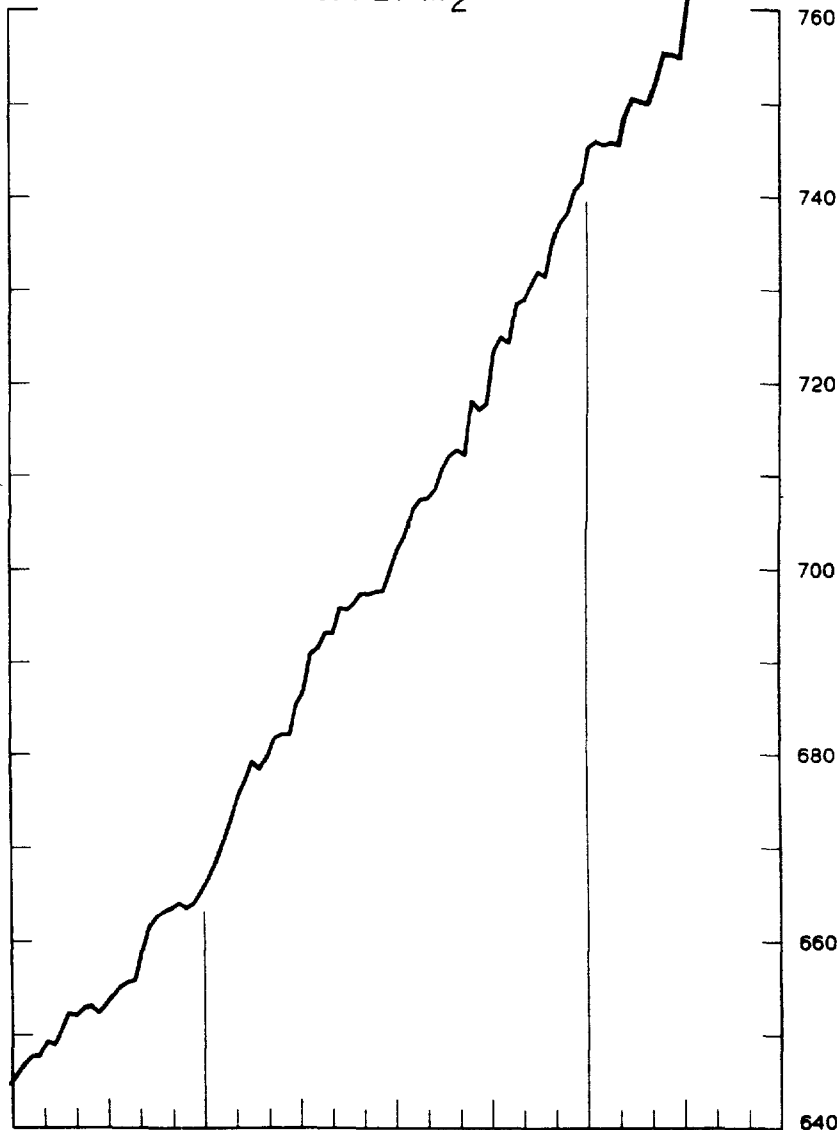
MONETARY AGGREGATES

NARROW MONEY SUPPLY M₁

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY M₂



1975

1976

1977

J

F

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A

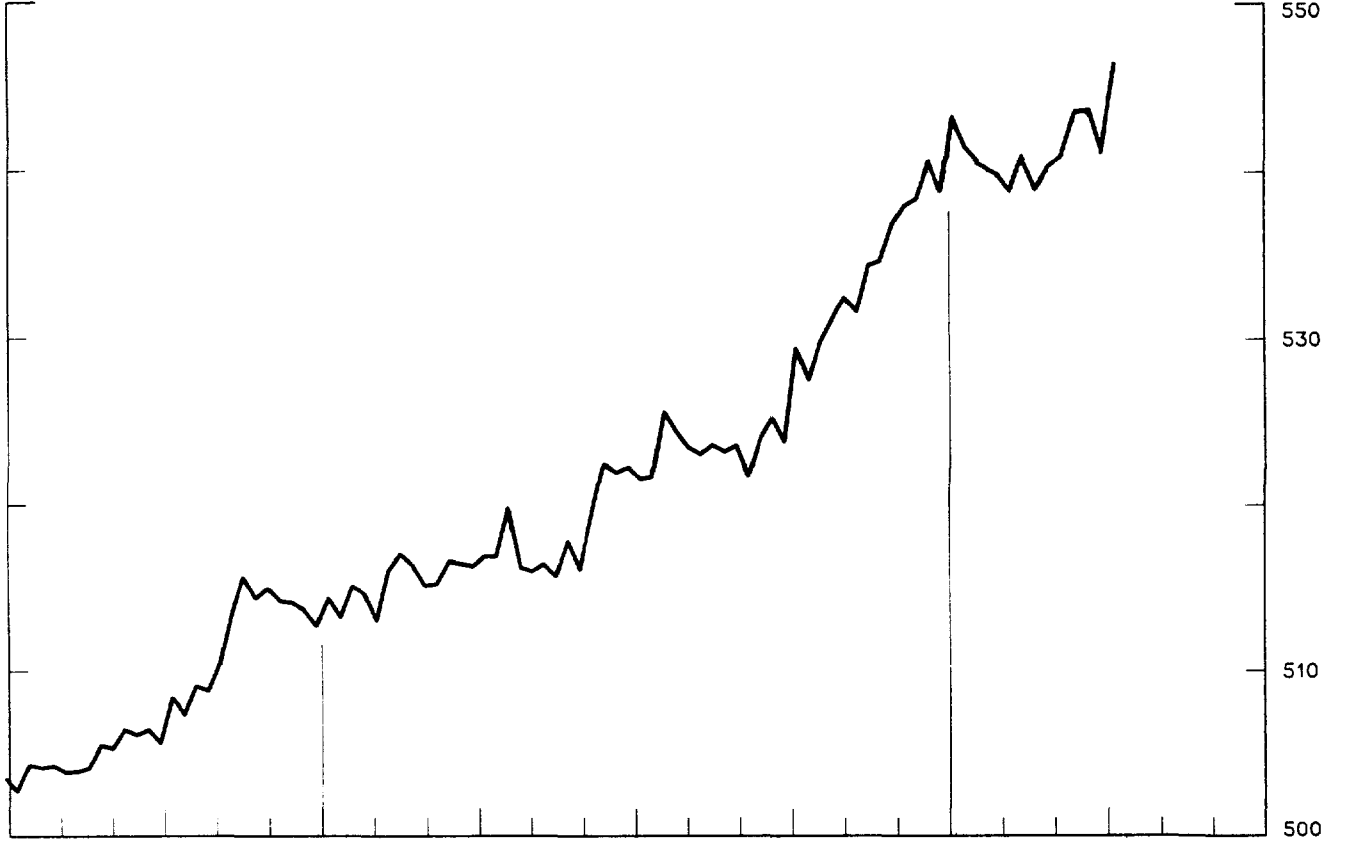
M

1977

MONETARY AGGREGATES

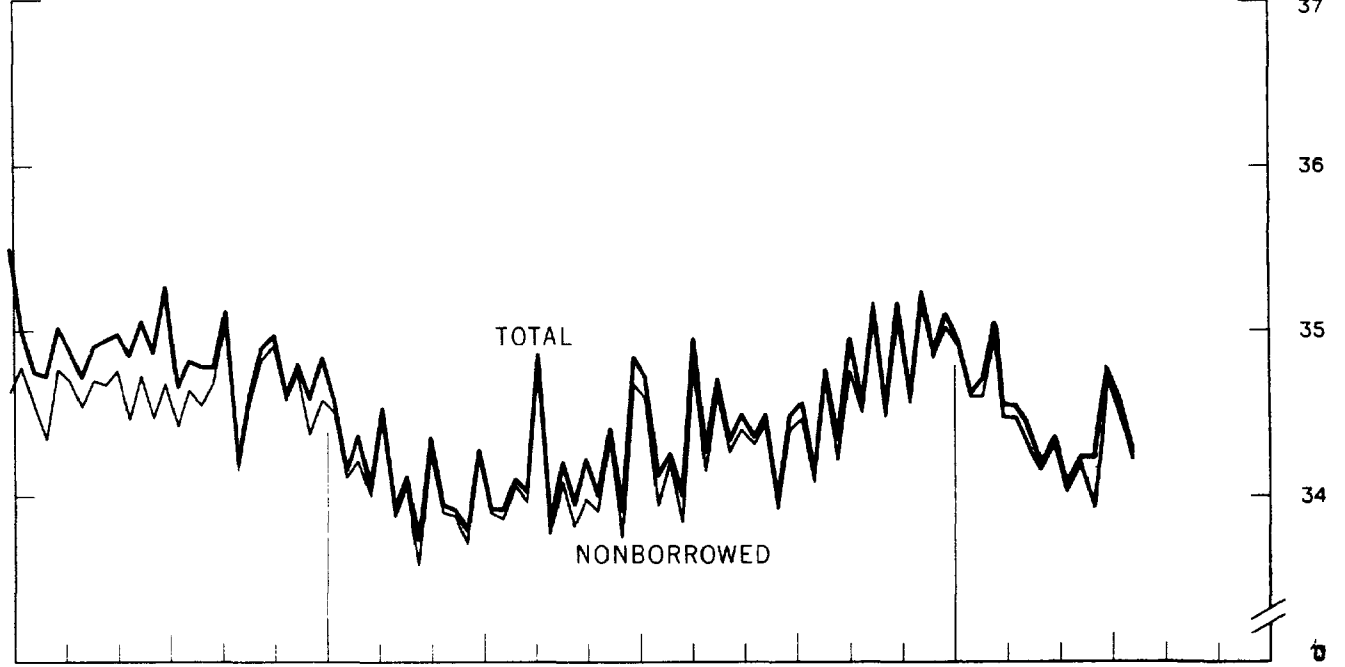
ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



RESERVES

BILLIONS OF DOLLARS



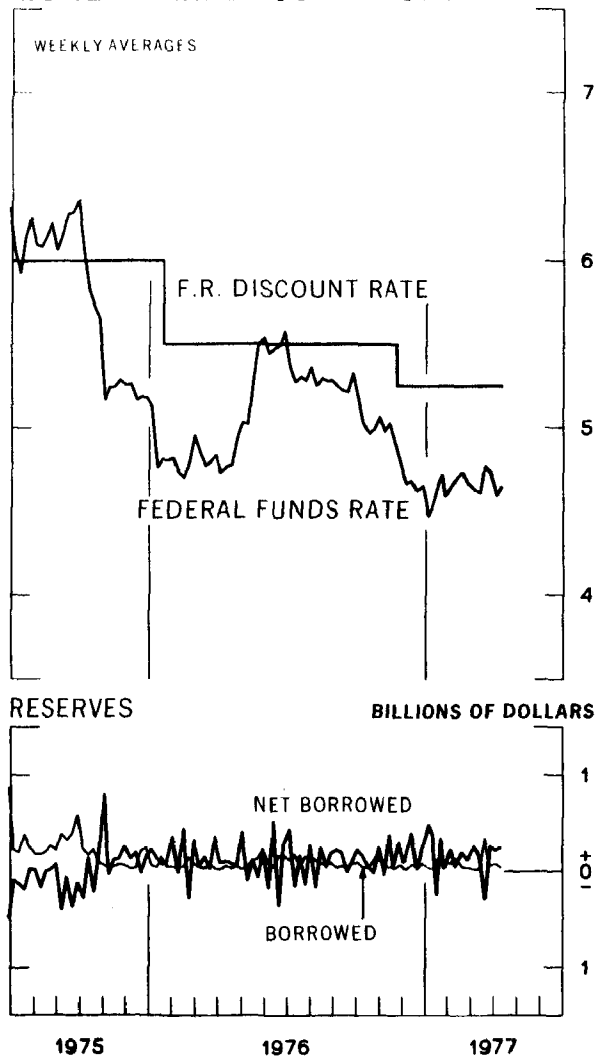
1975

1976

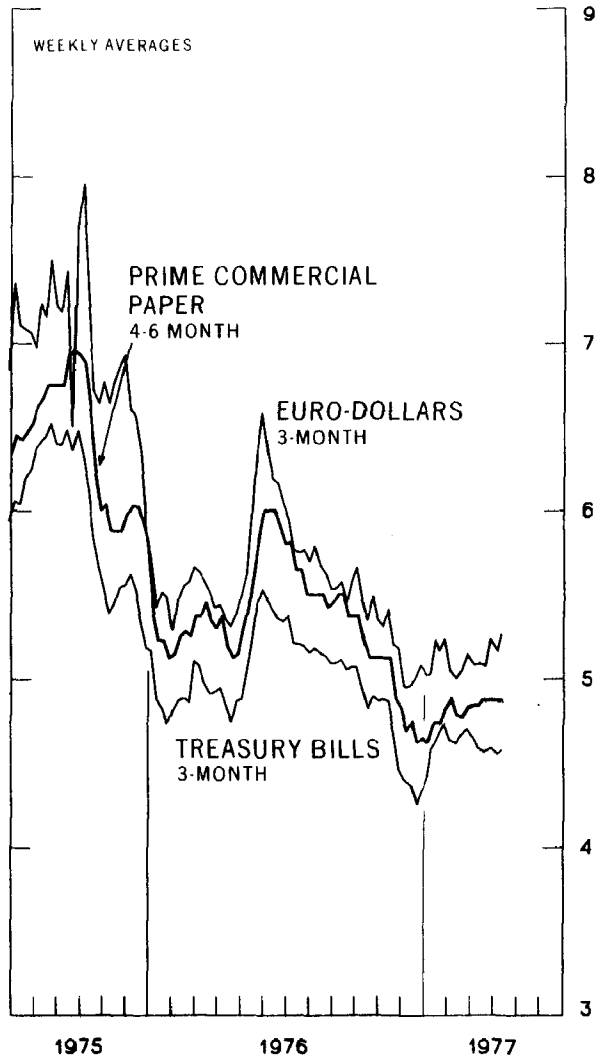
1977

MONEY MARKET CONDITIONS AND INTEREST RATES

MONEY MARKET CONDITIONS PER CENT



INTEREST RATES Short-term PER CENT



INTEREST RATES Long-term PER CENT

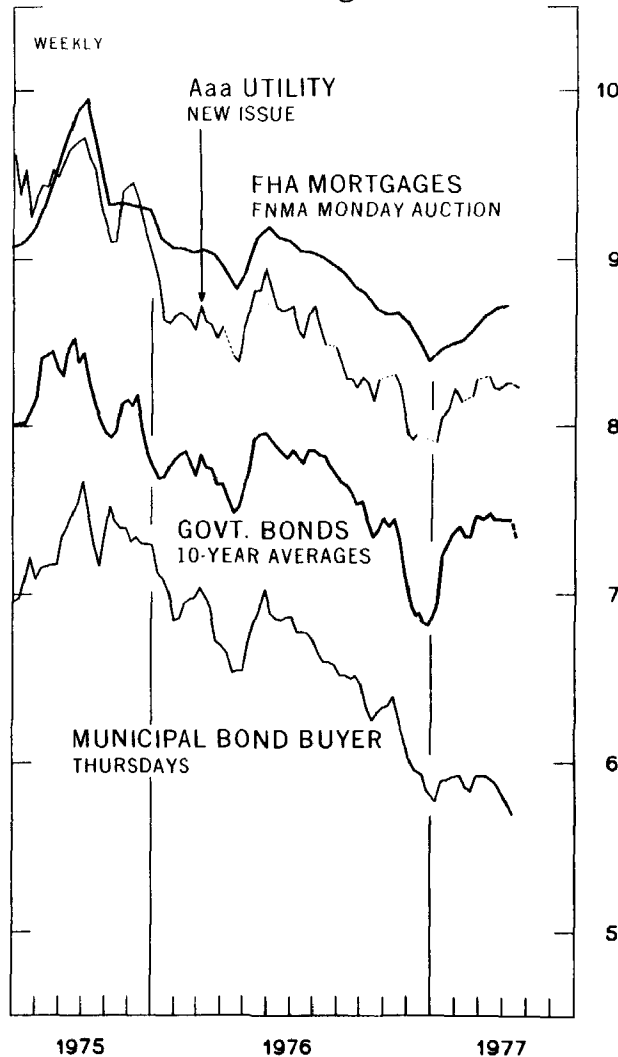


Table 1

CONFIDENTIAL (FR)

CLASS II-FOMC

APR. 15, 1977

MONETARY AGGREGATES

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	Money Supply		Adjusted Credit Proxy	Total U.S. Govt. Deposits ¹	Time and Savings Deposits					Nondeposit Sources of Funds	Member Bank U.S. Govt. Deposits
	Narrow (M1)	Broad (M2)			Total	Other Than CD'S			CD'S		
						Total	Savings	Other			
	1	2	3	4	5	6	7	8	9	10	11
MONTHLY LEVELS--\$BIL											
1977--JAN.	313.6	745.4	540.8	10.0	494.8	431.8	205.0	226.7	63.1	6.3	2.7
FEB.	313.8	749.5	539.5	11.7	499.0	435.8	207.1	228.6	63.3	7.5	2.5
MAR.	315.2	754.6	542.7	11.2	501.6	439.4	208.8	230.6	62.2	7.7	2.8
APR.	(318.6)	(761.8)	(545.5)	(9.7)	(505.3)	(443.2)	(210.9)	(232.3)	(62.2)	(7.7)	(2.6)
% ANNUAL GROWTH											
QUARTERLY											
1976--3RD QTR.	4.5	10.5	1.8		6.5	15.0	19.0	11.7	-40.5		
4TH QTR.	7.3	13.0	11.5		15.1	17.1	28.7	7.2	1.3		
1977--1ST QTR.	3.8	8.1	2.9		8.9	11.2	14.7	8.1	-7.0		
QUARTERLY-AV											
1976--3RD QTR.	4.2	9.2	3.9		7.3	13.0	13.4	12.5	-24.6		
4TH QTR.	6.3	12.3	8.2		11.8	16.8	26.9	8.2	-18.9		
1977--1ST QTR.	4.4	9.4	5.3		11.7	13.3	20.5	6.8	1.		
MONTHLY											
1977--JAN.	5.4	9.2	4.5		10.0	12.4	21.5	3.7	-3.6		
FEB.	0.8	6.6	-2.9		10.2	11.1	12.3	10.1	3.8		
MAR.	5.4	8.2	7.1		6.3	9.9	9.9	10.5	-20.9		
APR.	(12.9)	(11.4)	(6.2)		(8.9)	(10.4)	(12.1)	(8.8)	(0.0)		
MAR.--APR.	(9.2)	(9.8)	(6.7)		(7.6)	(10.2)	(11.0)	(9.7)	(-10.4)		
WEEKLY LEVELS--\$BIL											
1977-MAR. 2	313.2	750.1	540.3	11.6	499.6	436.9	207.6	229.3	62.7	7.7	2.4
9	314.7	752.9	541.0	11.5	500.5	438.2	208.5	229.7	62.4	7.7	2.9
16	316.4	755.5	543.6	12.1	501.1	439.1	208.7	230.5	62.0	7.5	3.7
23	315.2	755.2	543.6	11.2	501.9	440.0	208.9	231.2	61.8	8.3	3.0
30	314.1	754.7	541.2	9.7	503.1	440.6	209.2	231.4	62.5	7.4	2.0
APR. 6	319.1	761.5	546.5	8.6	504.9	442.4	209.7	232.7	62.5	7.4	2.6

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

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

TABLE 2
BANK RESERVES
 ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	BANK RESERVES			REQUIRED RESERVES			
	Total Reserves	Nonborrowed Reserves	Monetary Base	Total Required	Private Demand	Total Time Deposits	Gov't and Interbank
	1	2	3	4	5	6	7
<u>MONTHLY LEVELS-\$MILLIONS</u>							
1977--JAN.	34,778	34,710	119,102	34,512	20,634	12,044	1,833
FEB.	34,397	34,326	119,079	34,199	20,416	12,058	1,725
MAR.	34,310	34,207	119,574	34,102	20,403	12,123	1,577
APR.	(34,689)	(34,638)	(120,834)	(34,437)	(20,517)	(12,182)	(1,739)
<u>PERCENT ANNUAL GROWTH</u>							
<u>QUARTERLY</u>							
1976--3RD QTR.	0.6	1.3	6.1	0.7	3.8	-5.2	
4TH QTR.	7.6	7.7	8.0	6.8	1.6	8.0	
1977--1ST QTR.	-1.8	-2.4	5.2	-1.0	3.7	6.9	
<u>QUARTERLY-AV</u>							
1976--3RD QTR.	2.7	2.6	6.3	2.4	3.0	-0.7	
4TH QTR.	4.4	4.8	7.1	4.0	3.2	-0.7	
1977--1ST QTR.	2.7	2.6	6.8	3.1	5.0	9.5	
<u>MONTHLY</u>							
1977--JAN.	10.9	10.4	10.7	11.3	24.8	12.9	
FEB.	-13.1	-13.3	-0.2	-10.9	-12.7	1.4	
MAR.	-3.0	-4.2	5.0	-3.4	-0.8	0.5	
APR.	(13.3)	(15.1)	(12.6)	(11.8)	(6.7)	(5.8)	
MAR.-APR.	(5.1)	(5.5)	(8.8)	(4.2)	(3.0)	(6.2)	
<u>WEEKLY LEVELS-\$MILLIONS</u>							
1977--MAR. 2	34,346	34,316	119,244	34,196	20,539	12,139	1,518
9	34,048	34,028	118,837	33,775	20,232	12,120	1,424
16	34,242	34,218	119,356	34,074	20,328	12,111	1,635
23	34,139	33,801	119,524	34,062	20,369	12,123	1,571
30	34,762	34,704	120,568	34,443	20,630	12,129	1,684
APR. 6	34,586	34,521	120,299	34,299	20,495	12,149	1,655
13	34,280	34,241	119,868	33,995	20,203	12,154	1,638

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

TABLE 3
NET CHANGES IN SYSTEM HOLDINGS OF SECURITIES^{1/}
(\$ millions, not seasonally adjusted)

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
APRIL 15, 1977

Period	Treasury Bills Net Change 2/	Treasury Coupons Net Purchases 3/					Federal Agencies Net Purchases 4/					Net Change Outright Holdings Total 5/	Net RP's 6/
		Within 1 year	1 - 5	5 - 10	Over 10	Total	Within 1 year	1 - 5	5 - 10	Over 10	Total		
1972	-490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	-46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	-154
1975	-468	337	3,284	1,510	1,070	6,202	191	824	460	138	1,613	7,267	1,272
1976	863	472	3,025	1,048	642	5,187	105	469	203	114	891	6,227	3,607
1976--Qtr. I	-363	115	554	226	156	1,052	102	288	108	38	535	1,022	1,256
Qtr. II	2,067	109	796	245	134	1,284	3	140	57	40	240	3,371	1,654
Qtr. III	45	171	881	345	160	1,557	--	--	--	--	--	1,398	392
Qtr. IV	-886	77	794	232	192	1,294	--	41	37	36	115	436	304
1977--Qtr. I	1,164	192	997	325	165	1,680	--	--	--	--	--	2,738	-4,771
1976--Oct.	418	--	--	--	--	--	--	--	--	--	--	409	-1,742
Nov.	-733	18	113	62	73	266	--	41	37	36	115	-377	-3,930
Dec.	-570	59	681	170	119	1,029	--	--	--	--	--	403	5,976
1977--Jan.	2,222	45	475	128	48	695	--	--	--	--	--	2,908	-6,877
Feb.	-691	107	348	151	81	687	--	--	--	--	--	-45	1,931
Mar.	-368	41	174	46	37	298	--	--	--	--	--	-125	175
1977--Feb. 2	705	18	--	--	--	18	--	--	--	--	--	720	-7,198
9	-24	--	--	--	--	--	--	--	--	--	--	-24	6,641
16	--	--	--	--	--	--	--	--	--	--	--	-5	-946
23	--	107	348	151	81	687	--	--	--	--	--	681	2,179
Mar. 2	-253	--	--	--	--	--	--	--	--	--	--	-278	-3,071
9	-368	--	--	--	--	--	--	--	--	--	--	-371	-3,576
16	--	--	--	--	--	--	--	--	--	--	--	-25	-2,310
23	--	41	174	46	37	298	--	--	--	--	--	288	9,665
30	--	--	--	--	--	--	--	--	--	--	--	-6	-4,210
Apr. 6	-151	--	--	--	--	--	--	--	--	--	--	-177	-9,141
13	-109	--	--	--	--	--	--	--	--	--	--	-117	7,954
20													
27													
LEVEL Apr. 13 (in billions)	39.5	10.2	30.8	9.9	5.4	56.4	1.5	3.3	1.2	.8	6.7	102.7	-1.2

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

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

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

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

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

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

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

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
APRIL 15, 1977

	U.S. Govt. Security Dealer Positions		Underwriting Syndicate Positions		Excess** Reserves	Member Bank Reserve Positions			
	Bills	Coupon Issues	Corporate Bonds	Municipal Bonds		Borrowing at FRB**		Basic Reserve Deficit	
						Total	Seasonal	8 New York	38 Others
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1976--High	8,896	3,046	334	343	655	242	34	-8,161	-12,744
Low	3,668	175	0	34	-180	24	8	-2,367	-6,908
1977--High	7,234	3,017	163	333	513	339	14	-8,742	-13,975
Low	*3,140	*275	17	137	-111	20	8	-4,293	-9,318
1976--Mar.	5,910	778	43	151	223	54	8	-4,726	-9,640
Apr.	5,570	605	69	133	155	43	10	-5,179	-10,783
May	4,239	591	95	199	210	114	11	-4,402	-8,151
June	4,996	582	100	196	214	127	20	-4,219	-9,158
July	5,743	904	106	211	234	132	25	-4,756	-9,399
Aug.	6,174	1,686	85	116	207	100	31	-4,624	-9,691
Sept.	7,838	1,509	95	172	205	63	31	-5,703	-9,716
Oct.	6,271	1,832	94	258	221	94	32	-6,428	-10,527
Nov.	6,876	2,418	79	217	257	72	22	-6,289	-11,618
Dec.	8,005	2,443	145	167	274	53	13	-7,168	-11,449
1977--Jan.	6,406	2,320	82	202	265	68	10	-6,421	-11,504
Feb.	4,450	1,605	72	226	198	72	12	-5,604	-11,503
Mar.	*4,906	*972	103	162	217p	104p	13p	-5,652p	-10,916p
1977--Feb. 2	3,720	1,694	70	139	130	86	11	-4,293	-9,905
9	4,371	2,385	55	204	256	75	12	-5,680	-12,294
16	4,583	1,623	17	228	164	129	13	-6,288	-11,482
23	5,098	969	147	333	229	36	11	-5,589	-11,090
Mar. 2	4,232	913	63	155	150	30	12	-4,716	-10,869
9	5,174	354	111	137	273	20	12	-6,353	-11,550
16	5,342	303	163	163	168	24	12	-6,912	-11,527
23	*4,814	*275	51	180	77	338	13	-5,079	-11,539
30	*3,140	*453	125	175	319p	58p	14p	-4,933	-9,318
Apr. 6	*6,208	*761	39	232	287p	65p	14p	-5,766p	-11,479p
13	*6,670	*453	60p	86p	292p	39p	13p	-7,563p	-13,975p
20									
27									

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

* STRICTLY CONFIDENTIAL

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

TABLE 5
SELECTED INTEREST RATES
(per cent)

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
APRIL 15, 1977

	Short-term						Long-term								
	Federal Funds	Treasury Bills		Commercial Paper 90-119 Day	CD's New Issue-NYC		U.S. Govt.-Constant Maturity Yields			Corp.-Aaa Utility		Municipal Bond Buyer	Home Mortgages		
		90-Day	1-Year		60-Day	90-Day	3-yr	7-yr	20-yr	New Issue	Recently Offered		Primary Conv.	Secondary Market	FNMA Auc.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1976--High	5.58	5.53	6.32	5.90	5.63	5.75	7.52	7.89	8.17	8.95	8.94	7.13	9.10	9.20	8.45
Low	4.63	4.27	4.62	4.63	4.40	4.50	5.65	6.33	7.23	7.93	7.84	5.83	8.70	8.39	7.57
1977--High	4.77	4.74	5.25	4.75	4.70	4.80	6.49	7.23	7.76	8.30	8.32	5.93	8.73	8.72	8.08
Low	4.47	4.41	4.67	4.63	4.48	4.63	5.83	6.59	7.26	7.90	7.95	5.78	8.65	8.46	7.56
1976--Mar.	4.84	5.00	5.82	5.25	5.05	5.20	7.13	7.65	7.97	8.62	8.61	6.92	8.76	9.05	8.30
Apr.	4.82	4.86	5.54	5.08	4.81	4.94	6.84	7.44	7.86	8.48	8.52	6.60	8.73	8.89	8.10
May	5.29	5.20	5.98	5.44	5.25	5.38	7.27	7.77	8.13	8.82	8.77	6.87	8.77	9.09	8.33
June	5.48	5.41	6.12	5.83	5.55	5.68	7.32	7.76	8.03	8.72	8.73	6.87	8.85	9.13	8.35
July	5.31	5.23	5.82	5.54	5.30	5.42	7.12	7.70	8.00	8.63	8.63	6.79	8.93	9.05	8.37
Aug.	5.29	5.14	5.64	4.35	5.23	5.31	6.86	7.58	7.91	8.52	8.50	6.61	9.00	8.99	8.30
Sept.	5.25	5.08	5.50	5.33	5.11	5.24	6.66	7.41	7.78	8.29	8.33	6.51	8.98	8.88	8.10
Oct.	5.03	4.92	5.19	5.10	4.90	5.04	6.24	7.16	7.70	8.25	8.24	6.30	8.93	8.75	7.98
Nov.	4.95	4.75	5.00	4.98	4.84	4.94	6.09	6.86	7.64	8.17	8.18	6.29	8.81	8.66	7.93
Dec.	4.65	4.35	4.64	4.66	4.48	4.50	5.68	6.37	7.30	7.94	7.93	5.94	8.79	8.45	7.59
1977--Jan.	4.61	4.62	5.00	4.72	4.61	4.68	6.22	6.92	7.48	8.08	8.09	5.87	8.72	8.48	7.83
Feb.	4.68	4.67	5.16	4.76	4.58	4.70	6.44	7.16	7.64	8.22	8.19	5.89	8.67	8.55	7.98
Mar.	4.69	4.60	5.19	4.75	4.58	4.72	6.47	7.20	7.74	8.25	8.29	5.89	8.69	8.68	8.06
1977--Feb. 2	4.60	4.74	5.25	4.80	4.70	4.80	6.54	7.17	7.63	8.15	8.14	5.93	8.68	--	7.95
9	4.66	4.64	5.16	4.78	4.61	4.75	6.39	7.12	7.60	--	8.12	5.86	8.70	8.52	7.92
16	4.70	4.62	5.09	4.75	4.50	4.63	6.35	7.13	7.61	8.18	8.17	5.83	8.65	--	7.96
23	4.74	4.67	5.13	4.75	4.50	4.63	6.51	7.24	7.71	8.28	8.26	5.92	8.65	8.58	7.99
Mar. 2	4.68	4.70	5.25	4.75	4.63	4.77	6.49	7.22	7.75	--	8.27	5.92	8.65	--	8.06
9	4.63	4.64	5.23	4.75	4.63	4.77	6.50	7.23	7.76	8.30	8.32	5.92	8.70	8.66	8.08
16	4.62	4.59	5.17	4.75	4.63	4.75	6.46	7.17	7.72	8.23	8.27	5.90	8.70	--	8.08
23	4.77	4.57	5.16	4.75	4.50	4.63	6.44	7.18	7.71	8.22	8.28	5.88	8.70	8.70	8.02
30	4.74	4.59	5.18	4.75	4.50	4.70	6.45	7.22	7.74	8.26	8.28	5.85	8.70	--	8.06
Apr. 6	4.60	4.56	5.14	4.75	4.58	4.63	6.45	7.22	7.72	8.26	8.25	5.79	8.75	8.72	8.01
13	4.65	4.58	5.10	4.75	4.58	4.70	6.27p	7.10p	7.66p	8.23p	8.16p	5.70	n.a.	--	7.99
20															
27															
Daily--Apr. 7	4.65	4.58	5.13	4.75	--	--	6.43	7.21	7.72	--	--	--	--	--	--
14	4.64p	4.52	4.94	4.75	--	--	6.07p	6.97p	7.57p	--	--	--	--	--	--

NOTE: Weekly data for columns 1 to 4 are statement week averages of daily data. Columns 5 and 6 are 1-day Wednesday quotes (prior to 1976, figures shown are for 60-89 day and 90-119 day ranges, respectively). For columns 7 through 10, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 11 and 12 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 13 is an average of contract interest rates on commitments for conventional first mortgages with 80 per cent loan-to-value ratios made by a sample of insured savings and loan associations on the Friday following the end of the statement week. Column 14 gives FNMA auction data for Monday preceding the end of the statement week. Column 15 is a 1-day quote for Monday preceding the end of the statement week. The FNMA auction yield is the average yield in bi-weekly auction for short-term forward commitments for Government underwritten mortgages. GNMA yields are average net yields to investors on mortgage-backed securities for immediate delivery, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the coupon rate 50 basis points below the current FHA/VA ceiling.

APPENDIX TABLE 1-A

MONEY AND CREDIT AGGREGATE MEASURES

APR. 15, 1977

Period	BANK RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Monetary Base	Adj. Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
	(Per cent annual rates of growth)											
	REVISED SERIES											
ANNUALLY:												
1974	7.2	9.4	9.3	10.2	9.2	4.7	7.2	6.7	10.6	9.0	8.8	9.0
1975	-0.5	1.3	5.8	3.9	4.4	4.1	8.5	11.3	6.4	9.7	10.8	10.6
1976	1.3	1.6	6.9	4.9	7.3	6.1	11.3	13.1	7.5	10.6	10.0	10.4
SEMI-ANNUALLY:												
2ND HALF 1975	0.3	0.9	5.8	3.5	4.5	2.8	6.9	10.2	5.7	9.1	10.8	10.6
1ST HALF 1976	-1.4	-1.4	6.5	3.0	7.7	5.7	10.2	11.7	5.9	8.9	8.9	9.2
2ND HALF 1976	4.1	4.5	7.1	5.7	7.7	6.3	11.8	13.7	8.0	11.8	10.7	11.0
QUARTERLY:												
2ND QTR. 1976	3.1	2.2	8.2	4.0	8.5	6.8	9.1	10.7	6.6	9.0	9.0	9.7
3RD QTR. 1976	0.6	1.3	6.1	1.8	5.5	4.9	10.4	12.9	5.7	9.9	9.2	9.4
4TH QTR. 1976	7.6	7.7	8.0	11.5	7.9	7.7	12.8	14.1	11.9	13.5	11.9	12.2
1ST QTR. 1977	-1.8	-2.4	5.2	2.9	11.5	4.2	8.0	9.7	6.1	8.9	8.1	8.3
QUARTERLY-AV:												
2ND QTR. 1976	0.6	0.4	8.2	2.2	8.7	8.2	10.5	11.8	6.4	9.1	9.1	9.5
3RD QTR. 1976	2.7	2.6	6.3	3.9	5.8	4.4	9.1	11.4	6.0	9.3	9.2	9.7
4TH QTR. 1976	4.4	4.8	7.1	8.2	8.0	6.8	12.2	14.2	9.8	12.5	11.1	11.4
1ST QTR. 1977	2.7	2.6	6.8	5.3	8.9	4.8	9.4	11.0	8.7	10.5	9.0	9.3
MONTHLY:												
1976--MAR.	-1.7	-0.7	7.2	1.2	8.5	5.3	7.8	10.1	3.8	7.4	7.8	7.6
APR.	0.9	1.3	11.2	2.1	11.1	14.9	14.1	14.1	9.4	11.1	10.9	11.2
MAY	4.1	1.6	8.0	-3.7	6.3	6.8	8.9	10.5	3.9	7.3	7.4	8.2
JUNE	4.1	3.7	5.4	13.5	7.9	-1.2	4.3	7.1	6.4	8.3	8.6	9.3
JULY	2.0	1.8	6.5	3.2	2.2	7.1	12.0	12.8	8.9	10.8	11.7	12.1
AUG.	5.9	7.0	6.6	0.7	8.4	5.9	8.8	12.3	2.0	7.9	7.0	7.2
SEPT.	-6.2	-4.8	5.1	1.6	5.8	1.6	10.0	13.3	6.2	10.8	8.6	8.7
OCT.	6.0	4.9	7.1	11.9	12.1	14.1	15.7	16.7	13.2	15.1	14.5	14.6
NOV.	11.8	12.6	9.1	11.3	9.6	0.4	9.9	12.2	9.1	11.5	10.5	11.0
DEC.	4.9	5.6	7.7	10.8	1.7	8.5	12.5	13.0	13.0	13.4	10.4	10.8
1977--JAN.	10.9	10.4	10.7	4.5	8.9	5.8	9.3	11.2	8.1	10.4	8.5	8.9
FEB.	-13.1	-13.3	-0.2	-2.9	14.5	0.8	6.6	8.8	6.4	8.4	8.1	8.2
MAR. P	-3.0	-4.2	5.0	7.1	10.7	6.1	8.0	8.9	5.9	7.5	7.4	7.5

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

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

P - PRELIMINARY

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits					Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities ^{1/}	Commercial Paper ^{1/}
			Total	Other Than CD's			CD's					
				Total	Savings	Other						
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:			REVISED SERIES (Per cent annual rates of growth)									
1974	10.2	3.0	14.9	9.4	7.0	11.2	41.3	5.5	12.2	4.8	9.7	17.1
1975	8.7	2.6	8.0	12.2	17.8	8.2	-7.8	15.7	19.6	6.3	40.1	5.4
1976	9.4	5.0	6.4	15.4	25.5	7.7	-22.9	15.8	18.2	6.8	3.2	20.7
SEMI-ANNUALLY:												
2ND HALF 1975	7.9	1.0	7.7	10.4	16.0	6.1	-3.6	15.2	17.8	6.4	52.0	5.3
1ST HALF 1976	10.3	4.2	6.0	13.8	23.6	6.4	-29.0	13.8	16.4	6.2	12.7	19.2
2ND HALF 1976	8.0	5.8	10.5	15.9	24.5	6.7	-19.7	16.7	18.5	7.2	-5.9	20.1
QUARTERLY:												
2ND QTR. 1976	9.5	5.8	6.6	11.1	13.6	8.9	-17.4	12.7	15.1	6.4	12.9	28.4
3RD QTR. 1976	8.8	3.7	6.2	14.5	19.0	10.8	-40.5	16.9	17.9	8.1	-1.7	17.1
4TH QTR. 1976	7.1	7.7	14.6	16.7	28.7	6.5	1.3	15.9	18.2	6.2	-10.2	22.2
1ST QTR. 1977	8.9	2.8	8.5	10.8	14.7	7.3	-7.0	11.8	15.4	6.7	-5.8	13.2
QUARTERLY-AV:												
2ND QTR. 1976	11.2	7.0	5.4	12.4	21.7	4.9	-30.1	13.5	16.5	5.9	11.8	19.4
3RD QTR. 1976	7.8	3.2	7.0	12.8	13.4	12.0	-24.6	14.6	15.9	7.5	10.3	23.7
4TH QTR. 1976	8.1	6.2	11.5	16.3	26.9	7.3	-18.9	17.2	18.5	6.8	-8.9	18.3
1ST QTR. 1977	8.5	3.6	11.3	12.7	20.5	6.1	1.9	13.2	16.7	6.7	-15.4	18.3
MONTHLY:												
1976--MAR.	11.2	3.2	2.9	9.8	23.3	-1.1	-31.8	13.3	17.7	5.3	14.2	5.5
APR.	14.3	15.1	5.8	14.0	22.1	6.8	-36.0	13.8	17.4	7.0	12.3	19.3
MAY	11.0	5.3	1.8	9.9	18.3	3.4	-43.8	13.0	13.8	5.2	12.2	32.5
JUNE	3.1	-3.2	12.0	9.2	0.0	16.4	28.0	10.9	13.6	7.0	13.8	31.6
JULY	9.3	6.9	9.5	15.2	11.4	18.4	-22.2	13.9	16.8	6.9	34.0	23.1
AUG.	7.7	5.3	-0.3	11.4	21.9	2.7	-67.9	18.0	16.6	8.6	-11.6	15.1
SEPT.	9.2	-1.1	9.2	16.3	22.8	10.9	-35.1	18.0	19.6	8.5	-26.7	12.4
OCT.	9.1	15.8	12.7	17.0	30.0	6.0	-15.2	18.0	19.3	5.1	10.2	17.2
NOV.	7.5	-2.1	14.8	17.3	26.2	9.7	-1.9	15.3	15.8	6.8	-3.4	24.3
DEC.	4.5	9.4	15.9	15.1	28.0	3.7	21.2	13.8	18.8	6.7	-37.3	23.8
1977--JAN.	10.4	4.7	9.8	11.8	21.5	3.2	-3.8	13.9	15.4	6.7	-26.3	18.7
FEB.	10.3	-2.6	9.7	10.6	12.3	9.0	3.8	11.4	15.2	6.6	5.4	11.5
MAR. P	5.9	6.2	5.8	9.7	9.9	9.5	-20.9	9.8	15.0	6.6	3.6	9.1

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	Time and Savings Deposits					Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short-Term U.S. Gov't Sec ^{1/}	Com-mercial Paper ^{1/}	Non-Deposit Funds	Total Gov't Demand Deposits ^{2/}
			Total	Other Than CD's			CD's							
				Total	Savings	Other								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
REVISED SERIES														
ANNUALLY:														
1974	67.8	215.3	418.3	329.3	136.2	193.1	89.0	341.5	27.6	63.3	47.4	40.4	8.4	6.0
1975	73.7	221.0	451.7	369.6	160.5	209.0	82.1	395.2	33.0	67.3	66.4	42.6	8.4	8.3
1976	80.6	232.1	489.8	426.5	201.4	225.1	63.3	457.8	39.0	71.9	68.5	51.4	9.2	11.2
MONTHLY:														
1976--MAR.	75.7	222.4	457.8	384.4	173.5	211.0	73.4	409.5	34.4	68.3	68.4	43.6	8.2	10.2
APR.	76.6	225.2	460.0	388.9	176.7	212.2	71.2	414.2	34.9	68.7	69.1	44.3	7.5	7.6
MAY	77.3	226.2	460.7	392.1	179.4	212.8	68.6	418.7	35.3	69.0	69.8	45.5	7.6	7.9
JUNE	77.5	225.6	465.3	395.1	179.4	215.7	70.2	422.5	35.7	69.4	70.6	46.7	8.4	9.8
JULY	78.1	226.9	469.0	400.1	181.1	219.0	68.9	427.4	36.2	69.8	72.6	47.6	8.8	10.1
AUG.	78.6	227.9	468.9	403.9	184.4	219.5	65.0	433.8	36.7	70.3	71.9	48.2	8.9	12.6
SEPT.	79.2	227.7	472.5	409.4	187.9	221.5	63.1	440.3	37.3	70.8	70.3	48.7	8.2	12.0
OCT.	79.8	230.7	477.5	415.2	192.6	222.6	62.3	446.9	37.9	71.1	70.9	49.4	9.0	13.2
NOV.	80.3	230.3	483.4	421.2	196.8	224.4	62.2	452.6	38.4	71.5	70.7	50.4	9.1	13.0
DEC.	80.6	232.1	489.8	426.5	201.4	225.1	63.3	457.8	39.0	71.9	68.5	51.4	9.2	11.2
1977--JAN.	81.3	233.0	493.8	430.7	205.0	225.7	63.1	463.1	39.5	72.3	67.0	52.2	8.3	10.0
FEB.	82.0	232.5	497.8	434.5	207.1	227.4	63.3	467.5	40.0	72.7	67.3	52.7	7.5	11.7
MAR.P	82.4	233.7	500.2	438.0	208.8	229.2	62.2	471.3	40.5	73.1	67.5	53.1	7.7	11.2
WEEKLY:														
1977--FEB.	9	81.8	232.6	497.3	433.8	206.7	227.1	63.5					7.2	12.3
	16	81.8	233.7	498.2	434.6	207.0	227.5	63.7					7.3	11.7
	23	82.3	232.2	498.4	435.2	207.4	227.8	63.1					7.6	11.7
MAR.	2	82.1	231.9	498.3	435.6	207.6	228.0	62.7					7.7	11.6
	9	82.3	233.3	499.2	436.9	208.5	228.4	62.4					7.7	11.5
	16	82.3	234.9	499.7	437.8	208.7	229.1	62.0					7.5	12.1
	23	82.5	233.5	500.5	438.7	208.9	229.8	61.8					8.3	11.2
	30P	82.9	232.0	501.7	439.2	209.2	230.0	62.5					7.4	9.7
APR.	6P	83.1	236.8	503.5	441.0	209.5	231.5	62.5					7.4	8.6

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

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

P - PRELIMINARY