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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

December 15, 1978

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M-1 contracted in November at a 4.6 per cent annual rate and appears to be growing at only about a 2 per cent annual rate in December. Thus, over the two months, M-1 is projected to decline at a 1½ per cent annual rate. Demand for M-1 has been tempered by the recent substantial increases in market interest rates, as well as by the introduction of automatic transfer services (ATS), but the recent weakness appears greater than can be explained by these factors. Shifts to ATS accounts are estimated to be reducing M-1 growth by about 3 percentage points at an annual rate over November and December. M-2 growth is projected to slow to about a 5 per cent rate over November and December, below the low end of the FOMC's range. The interest-bearing component of M-2 grew slightly more rapidly in November than in October, reflecting growth of money market certificates and the large time deposits in this aggregate. Small time deposits subject to fixed rate ceilings declined in November, as did savings deposits despite the introduction of ATS. Given the

Comparison of FOMC Policy Ranges for
November-December
to Latest Staff Estimates

	<u>Ranges</u>	<u>Latest Estimates</u>
M-1	Upper limit of 5	-1.3
M-2	6 to 9½	5.0
Federal funds rate (per cent per annum)	9¾ to 10	Avg. for statement week ending
		Nov. 22 9.68
		29 9.85
		Dec. 6 9.87
		13 9.79

weakness in savings deposits, M-1+ is projected to decline at a 4 per cent annual rate over November and December. Inflow of deposits to thrift institutions in November slowed somewhat, even though sales of money market certificates continued to be robust.

(2) Following the November FOMC meeting, the Account Management raised its Federal funds rate target to the 9-7/8 per cent midpoint of the 9½ to 10 per cent range set by the Committee. As the weakness in the monetary aggregates developed, the FOMC voted on December 8 to maintain the 9-7/8 per cent Federal funds target until the next meeting, unless the monetary aggregates weakened significantly further. Member bank borrowing has varied between \$600 and \$800 million in recent weeks, a normal level for the prevailing spread between the discount and Federal funds rate.

(3) The trade-weighted exchange value of the dollar has declined by 1 per cent since the November FOMC meeting, but is currently about 9 per cent above its October 31 low. The dollar's declines against the German mark and Swiss franc have more than offset a small rise against the Japanese yen.

1/

(4) Despite further increases in the Federal funds rate, private short-term interest rates have changed little, on balance,

1/ Operations on behalf of Treasury and System accounts resulted in net purchases of about \$2 billion

from peak levels reached in the week preceding the November FOMC meeting. However, CD rates, as indicated by the highest offering quotes, are currently below their mid-November peaks, when banks were issuing CD's in large volume, partly to finance credit extensions to their own foreign branches and to foreign banks. The 3-month Treasury bill has risen substantially since the period just prior to the November meeting, and as a result the unusually wide spread of private short-term rates over the bill rate has narrowed. The market supply of these bills for private investors has been enlarged by the Treasury's decision to shift part of its weekly bill offerings from the 6-month to the 3-month area, while demand for bills by foreign institutions has been lower as a result of their reduced exchange market intervention. The bank prime rate has increased 50 basis points since the last FOMC meeting in response to earlier advances in market rates.

(5) Bond yields rose 10 to 30 basis points in the inter-meeting period as a bearish tone developed in capital markets when published data suggested that economic activity has continued at a stronger than anticipated pace and inflationary pressures have remained intense. Agency and municipal bond new issue volume rose in November, while the corporate calendar remained moderate. With its dollar balances augmented by earlier sales of obligations directly

to foreign official accounts, the Treasury raised no new money from private investors in domestic markets in the intermeeting period.^{1/}

(6) Loan demands at commercial banks appear to have remained relatively strong in November. Business loans expanded at about their October pace, while real estate and probably consumer loans increased more rapidly. To finance loan expansion, banks issued a substantial volume of large negotiable and nonnegotiable CD's, and in addition, liquidated security holdings. The increase in use of managed liabilities was particularly sharp earlier in the month when private demands for dollar credits seem to have been augmented by borrowing in anticipation of possible dollar depreciation.

(7) The demand for residential mortgage credit apparently has remained quite strong, as indicated by a further rise in mortgage commitments at S&L's to a record level in October and an estimated vigorous expansion of mortgage credit in November at both banks and thrift institutions. In the face of this continued strong demand, and with deposit flows slowing, the average rates on new commitments for conventional mortgages at S&L's have risen 15 basis points to 10.35 per cent since the FOMC meeting.

^{1/} The Treasury did raise around \$550 million of new money from foreign official accounts through sale of nonmarketable issues and add-ons to regular auctions. The Treasury also sold \$1.6 billion equivalent of DM-denominated securities on December 12. The proceeds of this issue are being warehoused with the Federal Reserve with the Treasury's dollar proceeds being added to its general balance. As the Treasury balance at the Federal Reserve is reduced, the Desk will, all other things equal, sell Treasury securities to the public to neutralize the reserve impacts--in effect substituting Federal Reserve sales of securities for Treasury issuance of securities in U.S. markets.

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

	1976 & 1977 Average	Past Twelve Months Nov. '78 over Nov. '77	Past Six Months Nov. '78 over May '78	Past Three Months Nov. '78 over Aug. '78	Past Months Nov. '78 over Oct. '78
Nonborrowed reserves	2.0	7.1	8.2	8.3	12.8
Total reserves	3.0	6.6	5.4	3.8	-4.2
Monetary base	7.5	9.1	8.7	9.3	6.1
<u>Concepts of Money</u>					
M-1 (Currency plus demand deposits) <u>1/</u>	6.9	7.3	5.7	4.4	-4.6
M-1+ (M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks).	11.0	4.9	3.5	2.3	-7.1
M-2 (M-1 plus time deposits at commercial banks other than large CD's)	10.4	8.1	8.5	8.0	4.3
M-3 (M-2 plus deposits at thrift institutions)	12.3	9.2	10.3	10.4	6.8
M-4 (M-2 plus CD's)	8.6	10.2	9.5	11.1	12.9
M-5 (M-3 plus CD's)	11.1	10.4	10.8	12.1	12.0
<u>Bank Credit</u>					
Loans and investments of all commercial banks <u>2/</u>					
Month-end basis	9.7	11.4	9.5	8.7	6.5
Monthly average	9.5	11.5	11.1	11.6	14.0
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-0.4	2.0	1.4	3.0	7.2
Nonbank commercial paper	0.2	0.3	0.5	0.5	0.8

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

2/ Includes loans sold to affiliates and branches.

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

Prospective developments

(9) Shown below for Committee consideration are two alternative specifications for the monetary aggregates and the Federal funds rate for the December-January period. Alternative A calls for no near-term change in the Federal funds rate, while alternative B increases policy restraint marginally in coming weeks. (More details and longer-term data are contained in the tables on pp. 8 and 9.)

	<u>Alt. A</u>	<u>Alt. B</u>
Ranges for Dec.-Jan. ^{1/}		
M-1	2½ to 7½	2 to 7
M-2	6 to 10	5½ to 9½
Addenda		
M-1+	1 to 5	½ to 4½
Federal funds rate (Intermeeting period)	9½ to 10½	9¾ to 10½

(10) Alternative A presumes a Federal funds rate between now and the January meeting centered in the prevailing 9¾ to 10 per cent range. The staff projects that M-1 will increase only somewhat in December, on a daily average basis, but the evident growth of income and expenditures suggests that a substantial increase in M-1 is likely in January. Consequently, growth in this aggregate over the

^{1/} Ranges for the forthcoming short-run policy period expressed in the form recommended by the subcommittee on the directive in its report distributed to the FOMC are shown in appendix IV for comparison purposes.

Alternative Levels and Growth Rates for Key Monetary Aggregates

		<u>M-1 ^{1/}</u>		<u>M-1+</u>		<u>M-2</u>	
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. A</u>	<u>Alt. B</u>
1978	November	360.6	360.6	585.3	585.3	870.5	870.5
	December	361.2	361.1	584.9	584.6	874.6	874.3
1979	January	363.5	363.2	588.4	587.8	881.8	881.1
1978	QIII	357.3	357.3	582.6	582.6	854.0	854.0
	QIV	361.3	361.2	586.3	586.2	870.8	870.7
1979	QI	364.3	363.9	591.5	590.7	887.2	886.3
	QII	366.4	366.0	600.8	599.9	903.1	902.0
	QIII	368.7	368.7	610.4	610.2	919.0	918.5

Growth Rates

Monthly:

1978	December	2.0	1.7	-0.8	-1.4	5.7	5.2
1979	January	7.6	7.0	7.2	6.6	9.9	9.3

Quarterly Average:

1978	QIV	4.5	4.4	2.5	2.5	7.9	7.8
1979	QI	3.3	3.0	3.5	3.1	7.5	7.2
	QII	2.3	2.3	6.3	6.2	7.2	7.1
	QIII	2.5	3.0	6.4	6.9	7.0	7.3

Semi-Annual:

QIII '78-QI '79	3.9	3.7	3.1	2.8	7.8	7.6
QI '79-QIII '79	2.4	2.6	6.4	6.6	7.2	7.3

Annual:

QIII '78-QIII '79	3.2	3.2	4.8	4.7	7.6	7.6
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^{1/} The staff has assumed that over the longer-run policy period from QIII '78 to QIII '79 M-1 growth will be reduced 3 percentage points by ATS. In projecting GNP, monetary aggregates, and interest rates the staff has carried forward the assumption in most recent Bluebooks that M-1, in the absence of ATS, would increase at a 6½ per cent annual rate over the longer-run. Thus, the observed growth of M-1 is expected to be 3½ per cent over the QIII '78 to QIII '79 period.

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

		<u>M-3</u>		<u>Bank Credit</u>	
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. A</u>	<u>Alt. B</u>
1978	November	1492.8	1492.8	971.6	971.6
	December	1501.9	1501.5	977.3	977.3
1979	January	1514.5	1513.5	985.4	984.8
1978	QIII	1456.1	1456.1	944.9	944.9
	QIV	1493.0	1492.9	969.8	969.6
1979	QI	1525.2	1523.9	993.6	992.4
	QII	1556.6	1554.8	1016.0	1014.2
	QIII	1587.7	1586.8	1038.9	1037.5
<u>Growth Rates</u>					
<u>Monthly:</u>					
1978	December	7.3	7.0	7.0	7.0
1979	January	10.1	9.6	9.9	9.2
<u>Quarterly Average:</u>					
1978	QIV	10.1	10.1	10.5	10.5
1979	QI	8.6	8.3	9.8	9.4
	QII	8.2	8.1	9.0	8.8
	QIII	8.0	8.2	9.0	9.2
<u>Semi-Annual:</u>					
	QIII '78-QI '79	9.5	9.3	10.3	10.1
	QI '79-QIII '79	8.2	8.3	9.1	9.1
<u>Annual:</u>					
	QIII '78-QIII '79	9.0	9.0	9.9	9.8

December-January period is projected to be in a $2\frac{1}{2}$ to $7\frac{1}{2}$ per cent annual rate range. Transfers from demand to ATS accounts are expected to depress M-1 growth over the two-month period by 2 to 4 percentage points, a bit less than previously assumed.

(11) If December projections materialize, M-1 growth in the current quarter will be only about $4\frac{1}{2}$ per cent, with ATS effects reducing growth by about one percentage point. Thus, even adding back the effects of ATS, M-1 growth will be the slowest for a quarter in over two years.^{1/} The staff's econometric model suggests that, given the estimated almost 13 per cent rate of increase in nominal GNP in the fourth quarter, interest rates can explain only part of the slowdown in M-1. It is too early to be certain if this shortfall is transitory or represents the onset of another downward drift in money demand associated with more aggressive adoption of cash management techniques. The staff's projection for the near term assumes that underlying money demand will lead to a strengthening of M-1 growth, but that over the longer run policy period there will be some continued downward drift in money demand.

(12) The supplementary aggregate M-1+ is expected to expand in a 1 to 5 per cent range over December-January, noticeably less than M-1, as weakness in non-ATS savings continues to limit growth in this aggregate. While the staff is projecting that regular

^{1/} With the exception of the second quarter of 1978--when nominal GNP accelerated to over a 20 per cent annual rate as the economy rebounded from the adverse weather and coal strike during last winter--the implied V-1 for the current quarter will increase at its most rapid rate in almost three years. Appendix II displays projected rates of growth of velocity.

passbook accounts at commercial banks will begin to rise in December, following their unusually large recent contraction, the average level of such accounts is expected to grow only modestly, if at all, over the period.

(13) Under alternative A, M-2 is projected to expand in a 6 to 10 per cent annual rate range in December-January, a somewhat more rapid pace than in recent weeks. This acceleration reflects mainly the expected strengthening of M-1 and the anticipated end of the recent decline in outstanding savings deposits. Growth in the interest-bearing component of M-2 is expected to be at about a 9 to 10 per cent annual rate, with growth almost wholly attributable to expansion in large time deposits that are not subject to interest rate ceilings.

(14) Projected credit demands suggest that banks will be forced to continue to rely on managed liabilities to supplement their lendable funds. Further issuance of large CD's, though at a reduced rate, is in prospect, as is a resumption of growth in domestic non-deposit liabilities and net Eurodollar borrowing. Banks thus will experience mounting balance sheet pressures as borrowing ratios continue to rise and as further run-offs of bank holdings of Treasury securities cause liquidity ratios to decline further.

(15) At thrift institutions some further moderation in the rate of deposit inflows from the pace of the late summer and early fall is probable in light of higher market yields and the completion of the stock adjustment of financial assets that accompanied the introduction of the new 6-month certificates. Nevertheless, virtually all of the growth of deposits at S&L's and MSB's is expected to continue to come from sales of MMC's. Sample data for early December indicate that S&L's are not only rolling over their maturing 6-month certificates, but continuing to issue a substantial net volume of these instruments. Aggressive marketing of MMC's is being induced by competitive pressures, by a need for funds to meet mortgage loan commitments, and by FHLB advances policies.^{1/}

(16) If the Federal funds rate remains within the 9½ to 10 per cent range over the intermeeting period, as envisioned under alternative A, interest rates on short-term market instruments will likely fluctuate within a narrow range. Private short-term rates appear to have fully adjusted to the current funds rate level, and no significant change in private short-term credit demands appears in prospect for the weeks immediately ahead. The relative movement of Treasury bill rates will, of course, be influenced by the level of foreign exchange market intervention and the portfolio policies of foreign official institutions.

^{1/} The FHLBB has indicated that advances will not be liberally available to institutions that do not make reasonable efforts to roll over maturing 6-month certificates.

(17) Yields on longer-term bonds are likely to remain basically stable into the early weeks of January, barring unexpected strength in the monetary aggregates or in current economic indicators. The financing activity of corporations and municipalities is expected to be seasonally light over the holiday period. In December, Treasury financing activities will be confined to roll-overs of maturing 2- and 4-year notes. Net borrowing by the Treasury in the domestic market over the next several weeks is expected to be limited to a \$1½ to \$1¾ billion auction of 15-year bonds to be conducted around the turn of the year; since participants are anticipating this offering, they have presumably already discounted it.^{1/} With deposit flows slowing somewhat, yields on commitments for new conventional mortgages may continue to edge higher.

(18) Under alternative B, the Federal funds rate would rise by mid-January to the midpoint of a 9¾ to 10½ per cent range. M-1 growth would likely be in a 2 to 7 per cent annual rate range over December-January, and M-1+ and M-2, respectively, in a ½ to 4½ and 5½ to 9½ per cent range. The resulting increase in short-term market rates of interest would further slow the growth of deposits subject to fixed rate ceilings, induce more aggressive offerings of MMC's and large denomination time deposits, and a tightening of bank lending terms--with the prime loan rate moving up to 11¾ or 12 per cent.

^{1/} The Treasury is also expected to issue Swiss franc denominated notes, amounting to about \$1.2 billion equivalent, in the first part of January.

Long-term yields would also probably move up, but the light financing calendar and further evidence of the System's determination to constrain monetary growth would tend to limit such movement.

(19) If M-1, as expected, expands at a $4\frac{1}{2}$ per cent annual rate in the fourth quarter, the longer-run growth range for this aggregate implies an M-1 growth over the first three quarters of 1979 at a $2\frac{3}{4}$ per cent annual rate.^{1/} Assuming the staff's current GNP projections and some downward shift in money demand, the staff believes that such growth in M-1 is generally consistent with the Federal funds rate ranges shown in Appendix I. Reflecting monetary restraint already in train, the midpoint of alternative A would call for no further rise in the funds rate over the longer-run policy period. The alternative B pattern contemplates that an increase in the funds rate to a little over 10 per cent in the intermeeting period would be maintained through the first quarter of 1979. This additional restraint on monetary expansion would imply that the funds rate could be lower than the alternative A path by next summer, while still achieving the same growth in the aggregates over the QIII '78 to QIII '79 period. However, if the expected downward drift in money demand does not occur, higher interest rates than indicated by either Federal funds path would be required to achieve the desired growth in the aggregates.

^{1/} This assumes, as did previous Bluebooks, that, in the absence of ATS, the Committee would desire M-1 growth of $6\frac{1}{2}$ per cent over the QIII '78 to QIII '79 policy period. The staff has assumed ATS will reduce M-1 by 3 percentage points over this period and that therefore observed M-1 growth is expected to be $3\frac{1}{2}$ per cent over this QIII '78 to QIII '79 policy period.

Directive language

(20) Given below are suggested operational paragraphs for the directive. The language added last month "giving due regard ... to the program for supporting the foreign exchange value of the dollar" has been retained along with the reference, added in October, "to uncertainties associated with the introduction of ATS." Alternative language consistent with the short-run specifications of the alternatives discussed in the preceding section is shown for the Committee's objective for the Federal funds rate early in the period. At a later point, alternative language is also provided for placing main emphasis either on monetary aggregates or, as was agreed at the November meeting, on money market conditions. The specifications adopted last month are shown in strike-through form.

In the short-run, the Committee seeks to achieve bank reserve and money market conditions that are broadly consistent with the longer-run ranges for monetary aggregates cited above, while giving due regard to the program for supporting the foreign exchange value of the dollar, to developing conditions in domestic financial markets, and to uncertainties associated with the introduction of ATS. Early in the period before the next regular meeting, System open market operations are to be directed at attaining a weekly average Federal funds rate

- (A) AT ABOUT THE CURRENT LEVEL.
- (B) slightly above the current level.

Subsequently, operations shall be directed at maintaining the weekly average Federal funds rate within the range of ~~9½-10-10~~ ____ TO ____ per cent. In deciding on the specific objective for the Federal funds rate, the Manager is to be guided mainly by a range of tolerance for the annual rate of growth over the ~~November-December~~ DECEMBER-JANUARY period of ~~6-10-9½~~ ____ TO ____ per cent in M-2, provided that the rate of growth in M-1 does not appear to exceed 5 ____ per cent.

Money market emphasis

The objective for the funds rate is to be raised or lowered within its range if the rate of growth of M-2 appears to be close to or beyond the upper or lower limit of its range. Weight is to be given to M-1 if it appears to be growing at a rate close to or above its limit.

If the rates of growth in the aggregates appear to be falling outside the limits of the indicated ranges at a time when the objective for the funds rate has already been moved to the corresponding limit of its range, the Manager will promptly notify the Chairman, who will then decide whether the situation calls for supplementary instructions from the Committee.

Monetary aggregates emphasis

The objective for the funds rate is to be raised or lowered in an orderly fashion within its range if the rate

of growth of M-2 appears to be significantly above or below the midpoint of the indicated range. Weight is to be given to M-1 if it appears to be growing at a rate close to or above its limit.

If the rates of growth in the aggregates appear to be falling outside the limits of the indicated ranges at a time when the objective for the funds rate has already been moved to the corresponding limit of its range, the Manager will promptly notify the Chairman, who will then decide whether the situation calls for supplementary instructions from the Committee.

CHART 1

Recently Established M-1 Growth Ranges and Actual M-1

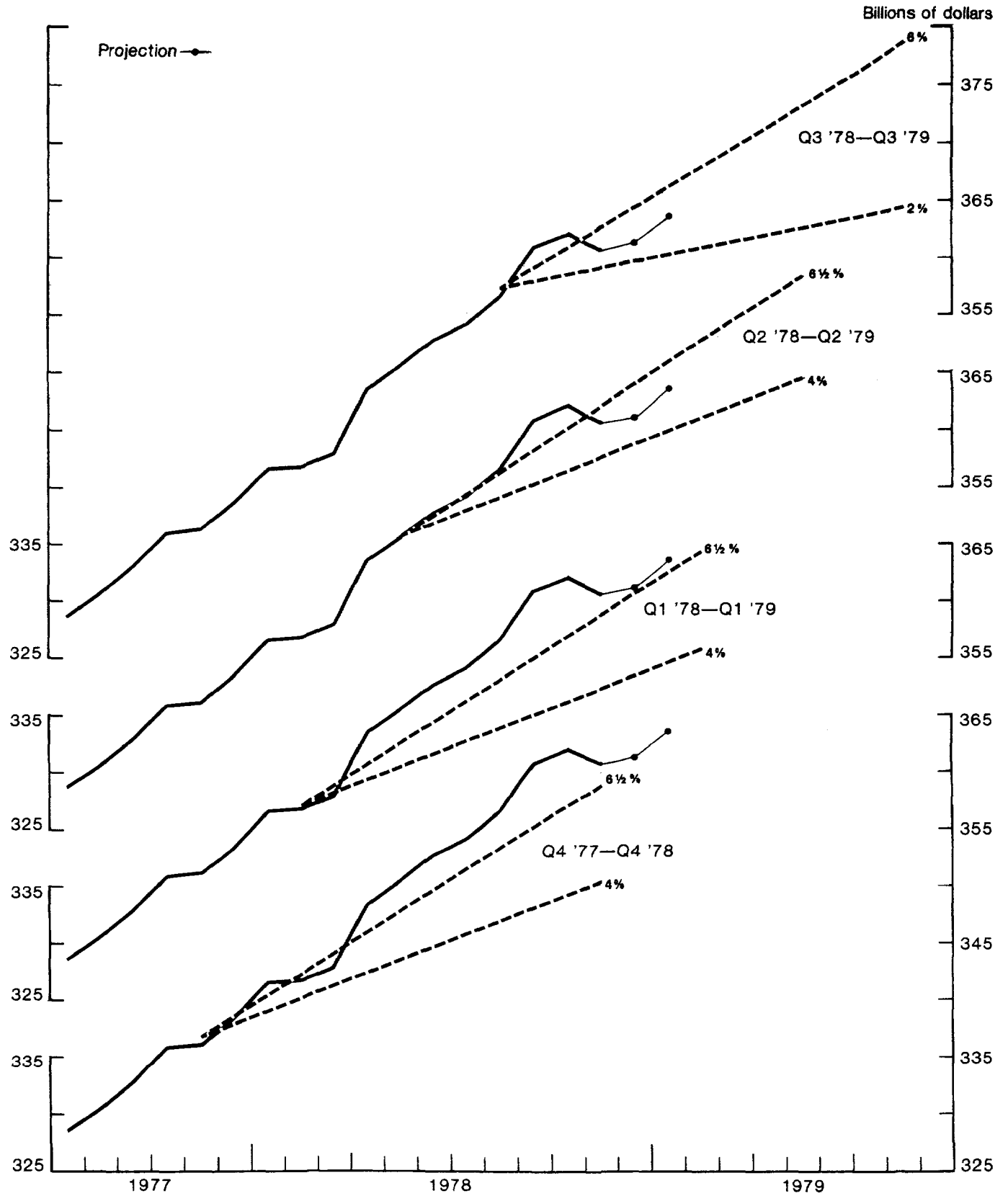


CHART 2

Recently Established M-2 Growth Ranges and Actual M-2

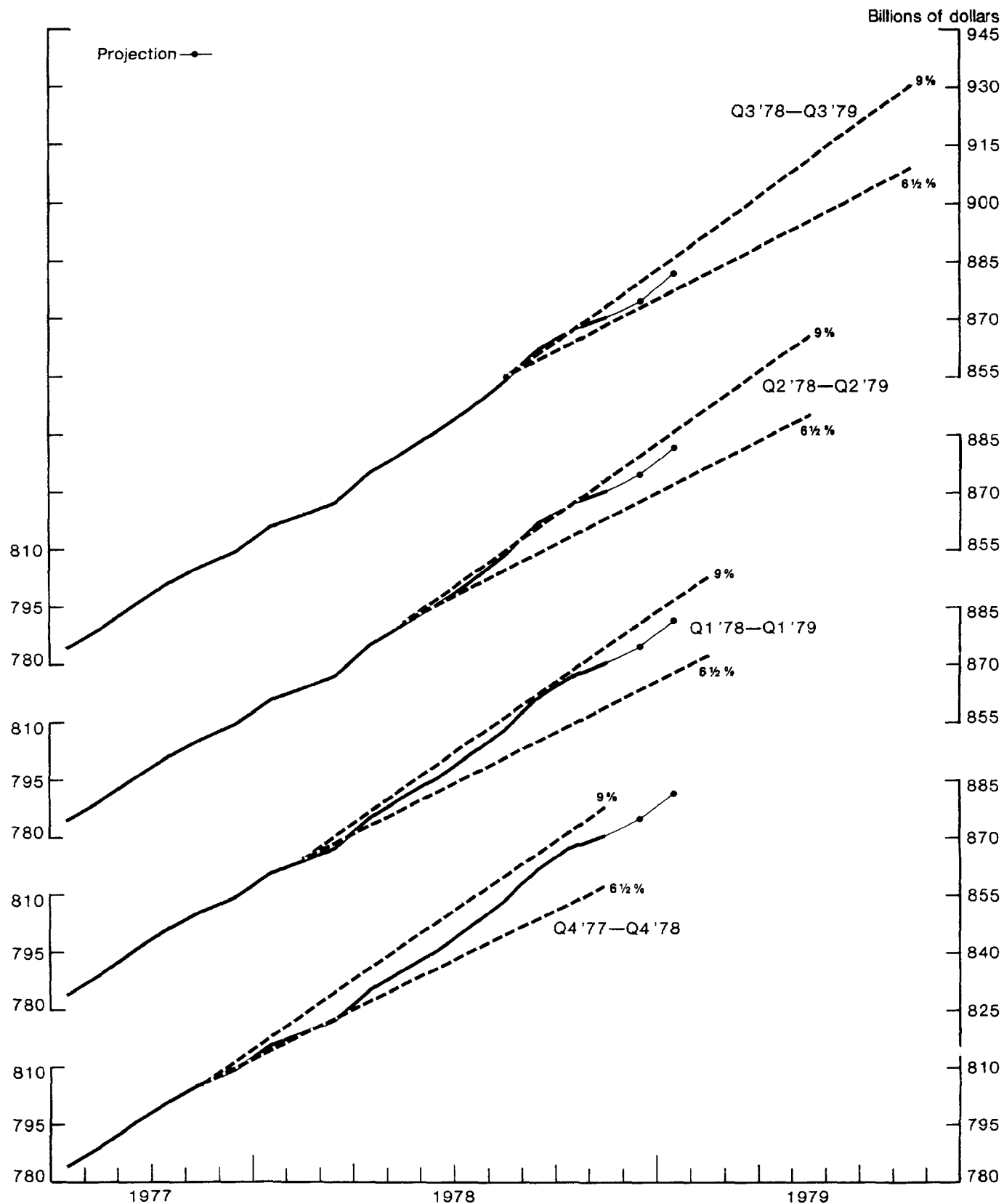


Chart 3

Recently Established M-3 Growth Ranges And Actual M-3

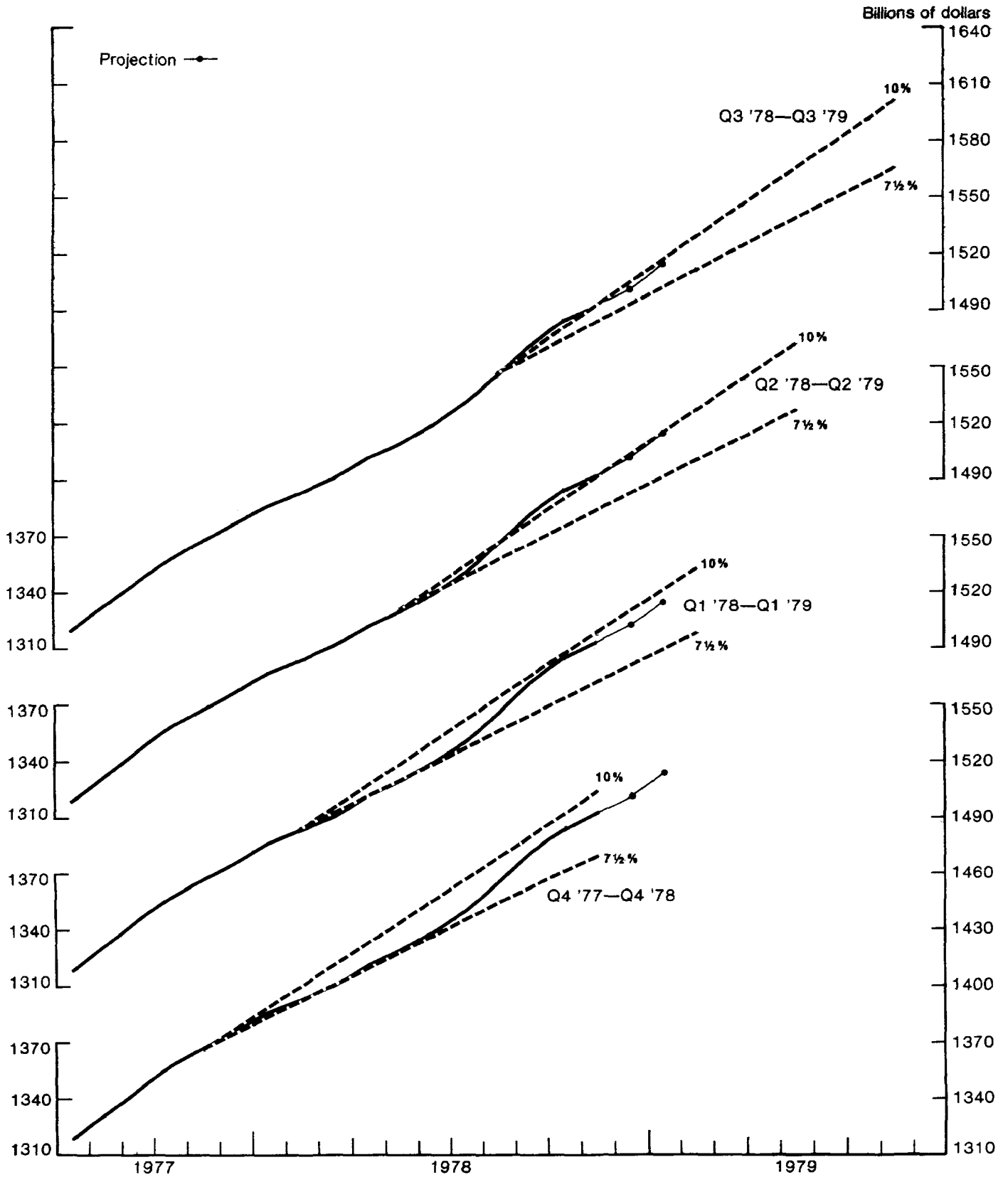


Chart 4

Recently Established Bank Credit Growth Ranges and Actual Bank Credit

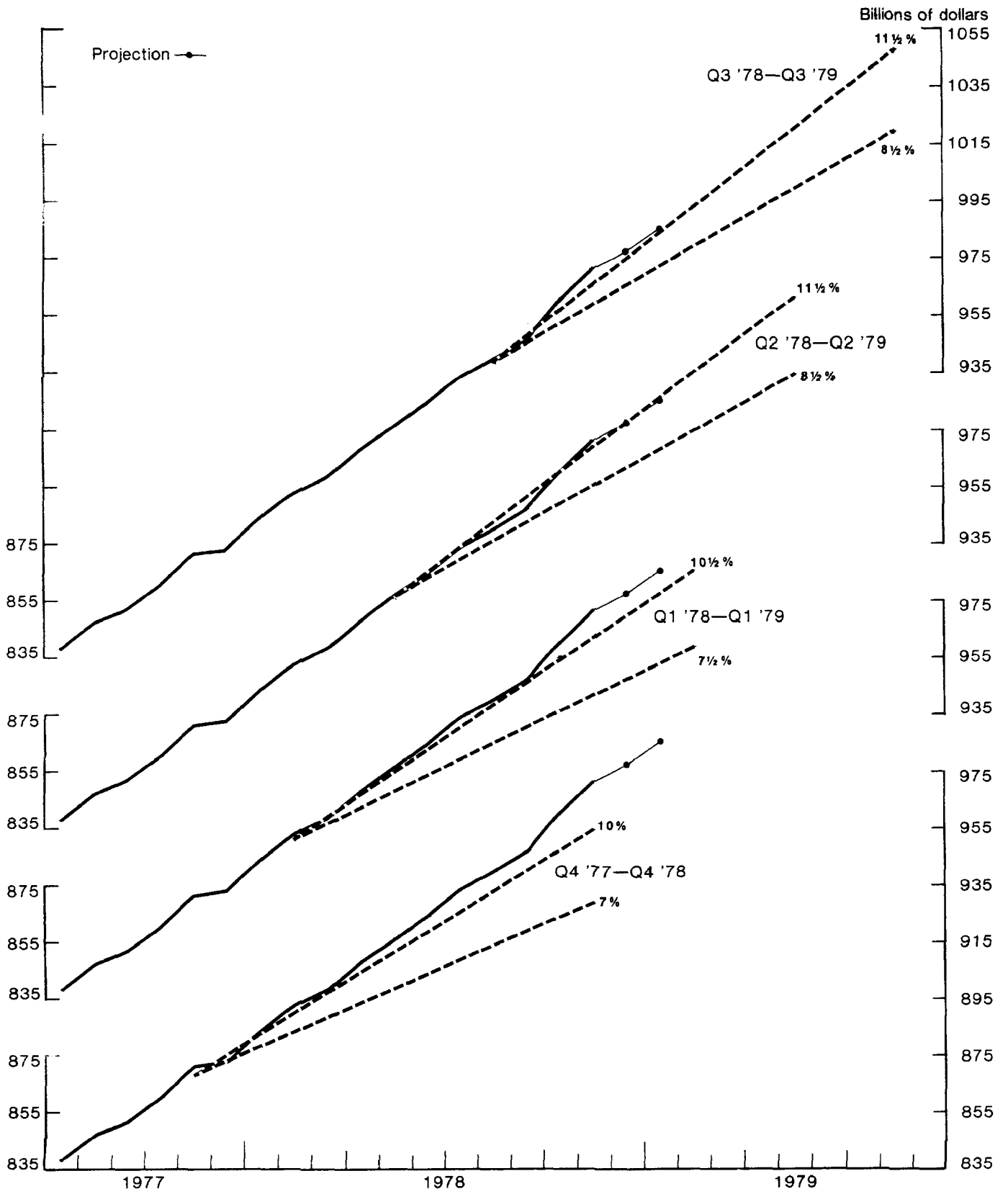
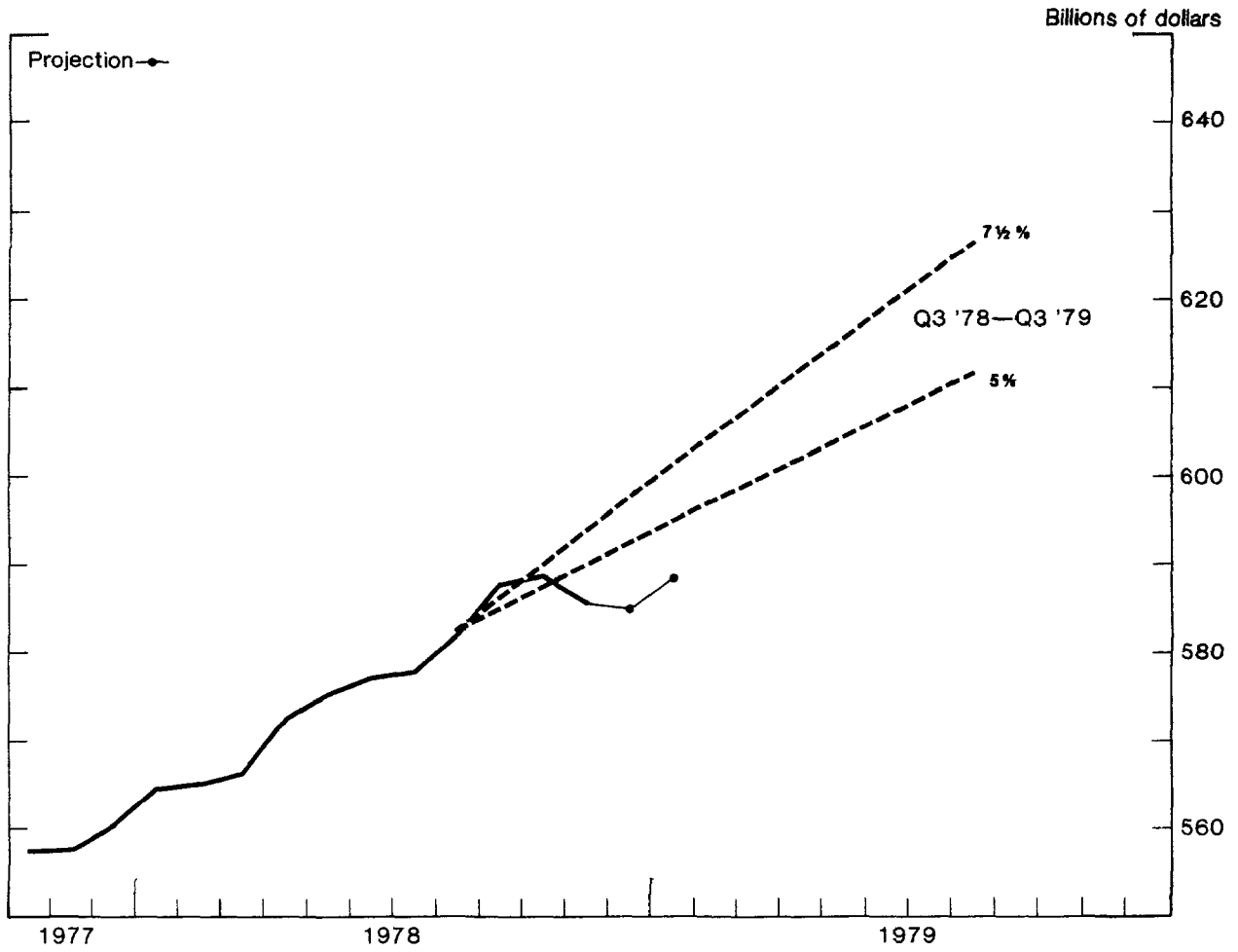


CHART 5

Recently Established M-1+ Growth Range and Actual M-1+



Appendix I

Projected Federal Funds Rate

	<u>Alt. A</u>	<u>Alt. B</u>
1978--QIV	9½ to 9-5/8	9½ to 9-5/8
1979--QI	9½ to 10	9-7/8 to 10-3/8
QII	9½ to 10	9½ to 10
QIII	9½ to 10	9 to 9½

Appendix II

Implied Velocity Growth Rate

	<u>Alt. A</u>	<u>Alt. B</u>
<u>V-1 (GNP/M-1)</u>		
1978--III	2.6	2.6
IV	7.8 (6.7)	7.9 (6.7)
1979--I	8.1 (4.4)	8.5 (4.9)
II	6.7 (2.8)	6.7 (2.8)
III	5.7 (2.4)	5.3 (2.1)
<u>V-1+ (GNP/M-1+)</u>		
1978--III	5.1	5.1
IV	9.7	9.8
1979--I	8.0	8.4
II	2.6	2.7
III	1.9	1.3
<u>V-2 (GNP/M-2)</u>		
1978--III	1.3	1.3
IV	4.5	4.5
1979--I	3.9	4.3
II	1.7	2.0
III	1.2	0.9

Note: Figures in parentheses reflect V-1 velocity without ATS.

Appendix Table III-1
MONEY STOCK--M-1
(Annual rates of growth, compounded quarterly)^{1/}

Ending Period	Base Period															
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>	<u>78III</u>
1975 I	2.1															
II	4.3	6.5														
III	5.2	6.7	7.0													
IV	4.6	5.4	4.9	2.9												
1976 I	4.6	5.3	4.8	3.8	4.7											
II	5.0	5.6	5.4	4.9	5.9	7.0										
III	4.9	5.3	5.1	4.6	5.2	5.4	3.9									
IV	5.2	5.7	5.5	5.2	5.8	6.2	5.8	7.7								
1977 I	5.4	5.8	5.8	5.6	6.1	6.4	6.2	7.4	7.2							
II	5.7	6.1	6.1	6.0	6.5	6.9	6.8	7.8	7.9	8.6						
III	6.0	6.4	6.3	6.3	6.8	7.1	7.1	7.9	8.0	8.4	8.3					
IV	6.1	6.5	6.5	6.4	6.9	7.2	7.2	7.9	7.9	8.2	8.0	7.7				
1978 I	6.1	6.5	6.5	6.4	6.8	7.1	7.1	7.6	7.6	7.7	7.4	7.0	6.3			
II	6.4	6.8	6.8	6.8	7.2	7.4	7.5	8.0	8.1	8.2	8.1	8.1	8.3	10.3		
III	6.5	6.8	6.9	6.9	7.2	7.5	7.5	8.0	8.0	8.2	8.1	8.0	8.2	9.1	7.9	
IV	6.4	6.7	6.7	6.7	7.0	7.2	7.2	7.6	7.6	7.6	7.5	7.3	7.2	7.6	6.2	4.6
	* * * * *															
1979 III																
Alt. A	5.8	6.0	6.0	5.9	6.1	6.2	6.2	6.4	6.2	6.1	5.9	5.6	5.3	5.1	4.1	3.2
Alt. B	5.8	6.0	6.0	5.9	6.1	6.2	6.2	6.4	6.2	6.1	5.9	5.6	5.3	5.1	4.1	3.2

^{1/} Based on quarterly average data.

Appendix Table III-2

MONEY STOCK--M-1+
(Annual rates of growth, compounded quarterly)^{1/}

Ending Period	Base Period															
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>	<u>78III</u>
1975 I	5.3															
II	8.5	11.9														
III	9.4	11.6	11.3													
IV	8.8	10.0	9.1	6.9												
1976 I	9.8	11.0	10.7	10.4	14.1											
II	10.5	11.6	11.5	11.5	13.9	13.8										
III	10.1	10.9	10.7	10.6	11.8	10.7	7.7									
IV	10.7	11.5	11.4	11.5	12.6	12.2	11.3	15.1								
1977 I	11.0	11.7	11.7	11.8	12.8	12.4	12.0	14.1	13.2							
II	10.8	11.4	11.3	11.3	12.1	11.7	11.2	12.4	11.1	8.9						
III	10.5	11.1	11.0	10.9	11.5	11.1	10.6	11.3	10.1	8.6	8.2					
IV	10.2	10.7	10.6	10.5	11.0	10.5	10.0	10.4	9.3	8.0	7.6	7.0				
1978 I	9.8	10.2	10.1	9.9	10.3	9.8	9.2	9.5	8.4	7.3	6.7	6.0	5.0			
II	9.6	10.0	9.8	9.7	9.9	9.5	9.0	9.1	8.2	7.2	6.8	6.3	6.0	7.0		
III	9.3	9.6	9.5	9.3	9.5	9.1	8.6	8.7	7.8	6.9	6.5	6.1	5.8	6.2	5.4	
IV	8.9	9.1	9.0	8.8	8.9	8.5	7.9	8.0	7.1	6.3	5.8	5.4	5.0	5.0	4.0	2.6
	* * * * *															
1979 III																
Alt. A	8.4	8.5	8.3	8.1	8.2	7.8	7.4	7.4	6.7	6.0	5.7	5.4	5.2	5.3	4.9	4.8
Alt. B	8.3	8.5	8.3	8.1	8.2	7.8	7.4	7.3	6.7	6.0	5.7	5.4	5.2	5.2	4.9	4.7

^{1/} Based on quarterly average data.

Appendix Table III-3
MONEY STOCK--M-2
(Annual rates of growth, compounded quarterly)^{1/}

Ending Period	Base Period															
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>	<u>78I</u>	<u>78II</u>	<u>78III</u>
1975 I	6.4															
II	8.3	10.2														
III	8.9	10.2	10.3													
IV	8.4	9.1	8.6	6.9												
1976 I	8.9	9.6	9.4	9.0	11.1											
II	9.2	9.7	9.6	9.4	10.7	10.3										
III	9.2	9.6	9.5	9.3	10.2	9.7	9.0									
IV	9.7	10.2	10.1	10.1	10.9	10.9	11.2	13.3								
1977 I	9.8	10.2	10.3	10.3	11.0	11.0	11.2	12.3	11.2							
II	9.8	10.2	10.2	10.2	10.8	10.7	10.8	11.4	10.4	9.5						
III	9.9	10.2	10.2	10.2	10.7	10.6	10.7	11.1	10.3	9.9	10.2					
IV	9.7	10.0	10.0	10.0	10.4	10.3	10.3	10.5	9.8	9.4	9.3	8.3				
1978 I	9.5	9.8	9.7	9.7	10.0	9.9	9.8	9.9	9.3	8.8	8.5	7.7	7.0			
II	9.4	9.7	9.6	9.5	9.8	9.7	9.6	9.7	9.1	8.6	8.4	7.8	7.6	8.2		
III	9.4	9.6	9.6	9.5	9.8	9.6	9.6	9.6	9.1	8.7	8.6	8.2	8.1	8.7	9.2	
IV	9.3	9.5	9.5	9.4	9.6	9.5	9.4	9.4	9.0	8.6	8.5	8.2	8.1	8.5	8.7	8.1
	* * * * *															
1979 III																
Alt. A	9.0	9.2	9.1	9.0	9.2	9.0	8.9	8.9	8.5	8.3	8.1	7.9	7.8	8.0	7.9	7.6
Alt. B	9.0	9.2	9.1	9.0	9.2	9.0	8.9	8.9	8.5	8.3	8.1	7.9	7.8	7.9	7.9	7.6

^{1/} Based on quarterly average data.

Appendix Table III-4

MONEY STOCK--M-3
 (Annual rates of growth, compounded quarterly)^{1/}

Ending Period	Base Period															
	74IV	75I	75II	75III	75IV	76I	76II	76III	76IV	77I	77II	77III	77IV	78I	78II	78III
1975 I	8.3															
II	10.6	13.0														
III	11.6	13.2	13.5													
IV	11.1	12.1	11.6	9.8												
1976 I	11.4	12.2	12.0	11.2	12.7											
II	11.6	12.2	12.0	11.6	12.5	12.3										
III	11.5	12.1	11.9	11.5	12.1	11.8	11.3									
IV	12.0	12.5	12.4	12.2	12.8	12.9	13.2	15.0								
1977 I	12.1	12.5	12.5	12.3	12.8	12.8	13.0	13.9	12.8							
II	11.9	12.3	12.2	12.1	12.4	12.4	12.4	12.8	11.7	10.7						
III	12.0	12.3	12.3	12.1	12.4	12.4	12.4	12.7	12.0	11.6	12.5					
IV	11.9	12.2	12.1	12.0	12.3	12.2	12.2	12.4	11.7	11.4	11.8	11.1				
1978 I	11.6	11.9	11.8	11.6	11.8	11.7	11.6	11.6	11.0	10.5	10.5	9.5	7.9			
II	11.3	11.6	11.4	11.3	11.4	11.3	11.1	11.1	10.5	10.0	9.9	9.0	8.0	8.0		
III	11.3	11.5	11.4	11.2	11.3	11.2	11.1	11.0	10.5	10.1	10.0	9.4	8.8	9.2	10.4	
IV	11.2	11.4	11.3	11.1	11.2	11.1	11.0	11.0	10.5	10.1	10.1	9.6	9.2	9.7	10.5	10.5
	* * * * *															
1979 III																
Alt. A	10.8	10.9	10.8	10.6	10.7	10.6	10.4	10.4	9.9	9.7	9.6	9.2	8.9	9.1	9.3	9.0
Alt. B	10.8	10.9	10.8	10.6	10.7	10.5	10.4	10.3	9.9	9.6	9.5	9.2	8.9	9.1	9.3	9.0

^{1/} Based on quarterly average data.

APPENDIX IV

Alternative Short-run Growth Rates and Federal Funds
Rate Ranges

The table below shows growth rate ranges for M-1 and M-2 expressed as the growth from the average of the three months ending in October to the average of the three-months ending in January. These ranges are based on the same staff projections of December and January as appear in the present two month ranges shown in paragraph 9 of the text. This three-month averaging procedure is proposed by the Subcommittee on the Directive, in its December 13 memorandum to the FOMC

	<u>Alt. A</u>	<u>Alt. B</u>
Ranges for average of three-months ending in January over three-months ending in October		
M-1	1-1/4 to 3-1/4	1 to 3
M-2	6 to 7-1/2	6 to 7-1/2
Addendum		
M-1+	-3/4 to 3/4	-1 to 1/2
Federal funds rate (Intermeeting period)	9-1/2 to 10-1/4	9-3/4 to 10-1/2

As may be seen in the table, the difference in method of specifying growth rates in aggregates for the short-run operating period changes these growth rates, narrows the ranges, and reduces the difference in growth rates between alternatives. This reflects the

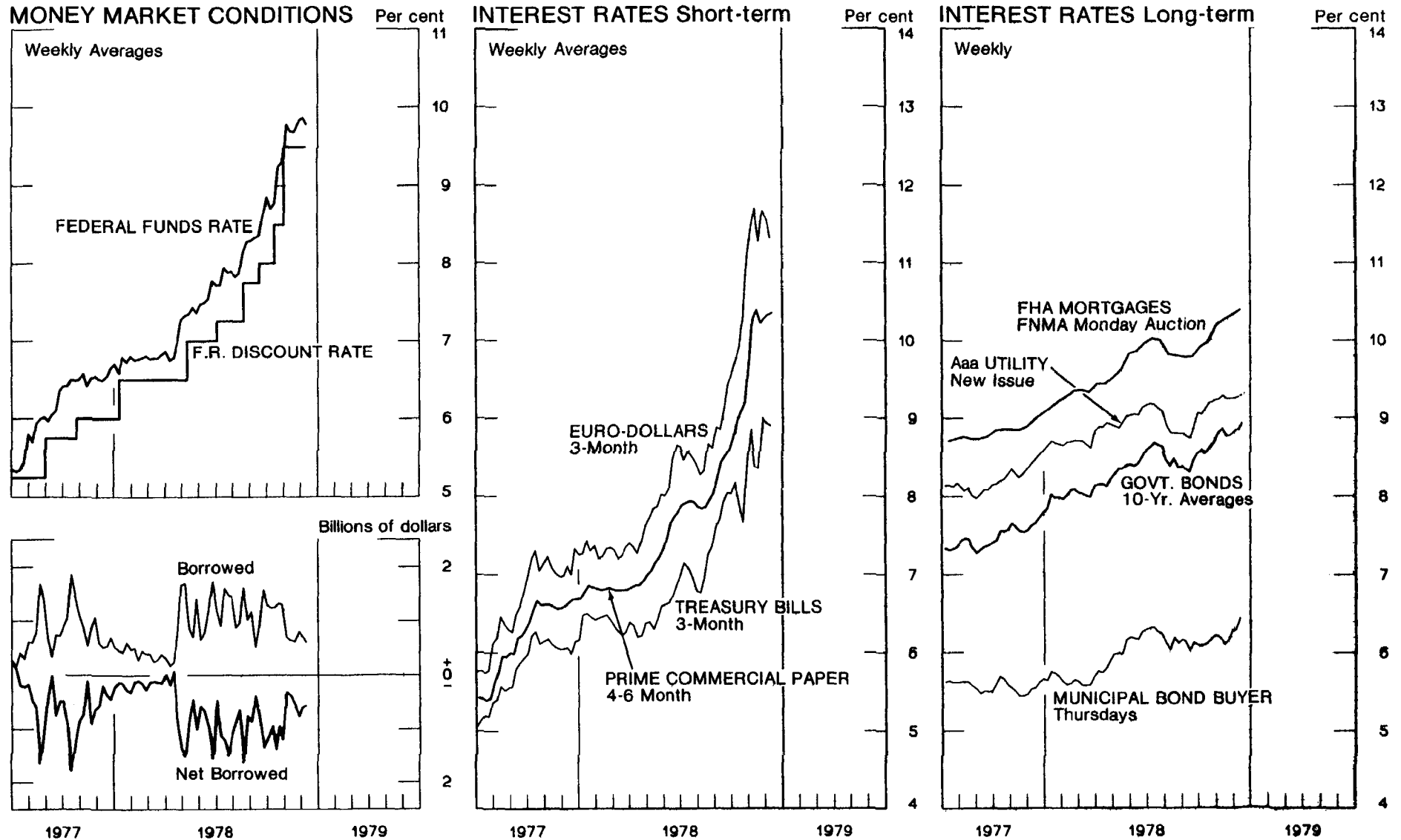
combined effect of the reduction in the annualization factor from 6 to 4,^{1/} the reduced weight of revisions in the terminal month (which in the proposed procedure gets only 1/3 of its present weight), and the partly offsetting effect from including revisions in the month preceding the terminal month (i.e., the month of the FOMC meeting) in the end-period.^{2/}

The above factors, including a review of historical relationships between revisions of monetary aggregates in the month of the FOMC meeting and the succeeding month, suggest that projected growth rates of both M-1 and M-2, calculated on a three-month average over a three month average, would have been revised over the intermeeting period by about 37 per cent of the revisions that occurred in the projected growth rates over the present two-month policy period. Thus, experience suggests that the tolerance ranges under the proposed procedure should be about two-fifths as wide as at present in order to assure no change in FOMC responses in adjusting the Federal funds rate to unanticipated movements in the aggregates from one FOMC meeting to the next.

1/ The proposed procedure has an end-period that is centered three-months from the center of the base period, while the present procedure has a one month end-period that is two months beyond the base month.

2/ These revisions in the month prior to the terminal month have been positively correlated with the terminal month revisions, and thus are a factor tending to add to the variability of the projected growth rate under the proposed procedure.

Money Market Conditions and Interest Rates



Actual and Projected Reserves

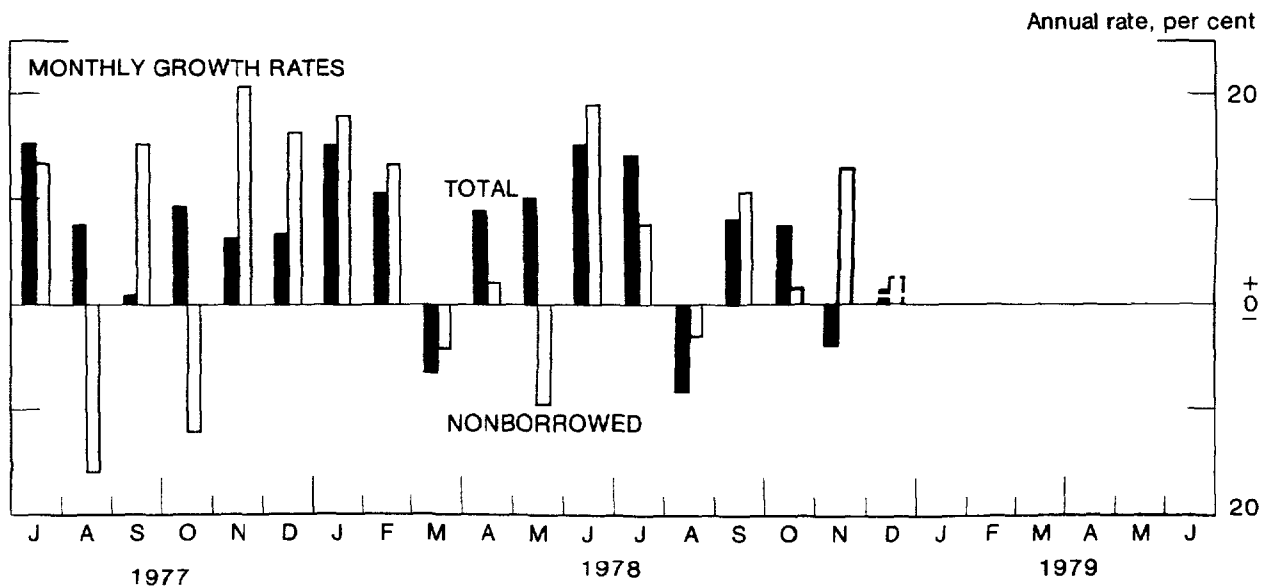
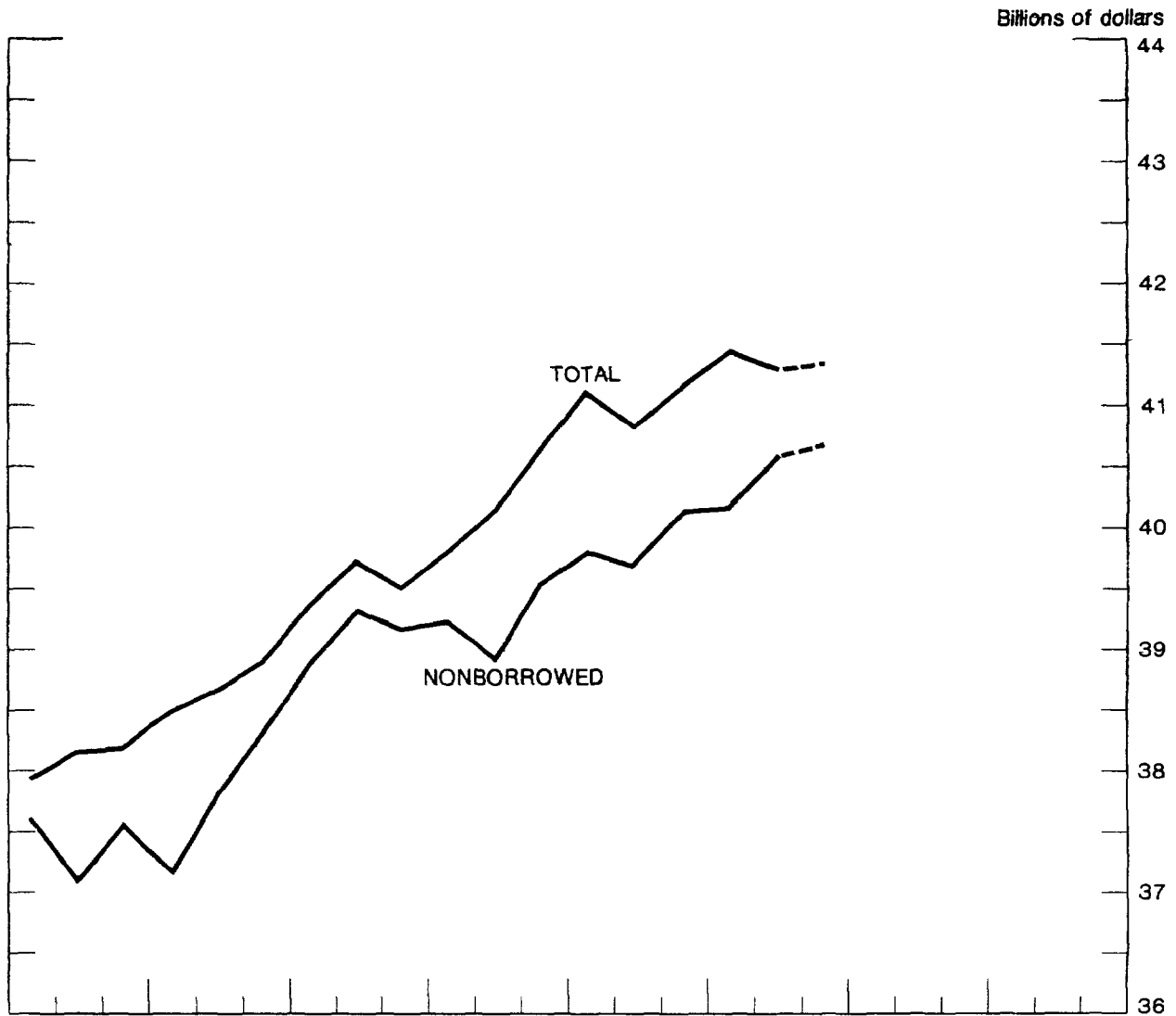


Table 1
MONETARY AGGREGATES

CONFIDENTIAL (FR)
 CLASS II-FOMC
 DEC. 15, 1978

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	Money Supply		Total U.S. Govt. Deposits 1/	Time & Savings Deposits				CD's	Nondeposit Sources of Funds 2/
	Narrow (M1)	Broad (M2)		Total	Other Than CD's				
					Total	Savings	Other		
	1	2	3	4	5	6	7	8	9
MONTHLY LEVELS--\$BIL									
1978--SEPT.	360.9	862.4	17.4	589.7	501.6	224.2	277.4	88.1	69.8
OCT.	362.0	867.4	21.2	593.6	505.4	223.9	281.5	88.2	74.9
NOV.	360.6	870.5	21.7	605.3	509.9	221.9	288.1	95.4	73.2
DEC.	(361.2)	(874.6)	(12.9)	(609.6)	(513.4)	(220.8)	(292.6)	(96.2)	
% ANNUAL GROWTH									
QUARTERLY									
1978--2ND QTR.	11.5	8.8		9.1	6.8	1.3	11.4	22.9	
3RD QTR.	9.2	10.4		10.6	11.3	4.5	17.0	6.5	
4TH QTR.	(0.3)	(5.7)		(13.5)	(9.4)	(-6.1)	(21.9)	(36.8)	
QUARTERLY-AV									
1978--2ND QTR.	9.9	7.9		10.1	6.4	1.6	10.5	32.8	
3RD QTR.	7.6	8.9		9.5	10.0	1.3	17.3	7.5	
4TH QTR.	(4.5)	(7.9)		(12.9)	(10.3)	(-0.5)	(19.1)	(27.5)	
MONTHLY									
1978--SEPT.	14.1	12.5		13.8	11.8	9.7	13.6	25.0	
OCT.	3.7	7.0		7.9	9.1	-1.6	17.7	1.4	
NOV.	-4.6	4.3		23.7	10.7	-10.7	28.1	98.0	
DEC.	(2.0)	(5.7)		(8.5)	(8.2)	(-5.9)	(18.7)	(10.1)	
NOV.--DEC.	(-1.3)	(5.0)		(16.2)	(9.5)	(-8.3)	(23.7)	(54.4)	
WEEKLY LEVELS--\$BIL									
1978-NOV. 1	361.2	868.2	19.6	598.9	507.1	222.9	284.2	91.8	79.8
8	362.3	870.9	22.1	602.6	508.6	222.9	285.7	94.0	73.4
15	361.4	870.9	20.4	604.9	509.5	222.4	287.1	95.4	68.2
22 P	359.3	870.1	23.1	607.0	510.7	221.5	289.2	96.3	72.2
29 P	358.7	869.2	23.5	606.9	510.5	221.1	289.5	96.4	76.3
DEC. 6 P	360.7	872.1	17.0	607.5	511.5	220.9	290.6	96.1	

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

Table 1-A
TIME AND SAVINGS DEPOSITS AT ALL COMMERCIAL BANKS

CONFIDENTIAL (FR)
CLASS II-FOMC

SEASONALLY ADJUSTED EXCEPT AS NOTED

DEC. 15, 1978

Period	Total Time and Savings	Savings Deposits				Time Deposits			Memo: Large Negotiable CD's
		Total	Individual and Nonprofit	Business (NSA)	Government (NSA)	Total	Large Denomination	Small Denomination	
	1	2	3	4	5	6	7	8	9
OUTSTANDING (\$ BILLIONS)									
1978--MAR.	561.7	221.0	205.8	10.5	4.7	340.8	174.3	166.5	82.0
APR.	565.2	221.6	206.3	10.6	4.7	343.6	176.1	167.5	83.4
MAY	571.6	222.0	206.5	10.7	4.8	349.7	181.2	168.5	87.1
JUNE	574.5	221.7	206.1	10.8	4.9	352.8	182.7	170.1	86.7
JULY	579.4	220.9	206.0	10.6	4.2	358.5	187.2	171.3	87.4
AUG.	583.0	222.4	207.7	10.8	4.0	360.6	188.7	171.9	86.3
SEPT.	589.7	224.2	209.2	11.0	4.0	365.5	191.9	173.6	88.1
OCT.	593.6	223.9	208.7	11.0	4.2	369.7	192.7	177.0	88.2
NOV.	605.3	221.9	207.2	10.9	3.8	383.5	205.8	177.7	95.4
CHANGES (\$ BILLIONS)									
1977 YEAR	55.3	17.7	16.9	2.3	-1.6	37.7	23.9	13.8	11.3
QUARTERLY AVERAGE:									
1977--III	13.1	3.9	4.7	0.4	-1.2	9.2	5.9	3.3	0.7
IV	17.0	2.9	3.3	0.3	-0.6	14.1	12.7	1.3	7.1
1978--I	17.3	1.4	1.2	-0.2	0.3	16.0	14.5	1.5	8.8
II	14.1	0.9	0.9	0.2	-0.2	13.2	10.4	2.8	6.5
III	13.6	0.7	1.3	0.1	-0.7	12.8	9.3	3.6	1.6
MONTHLY AVERAGE:									
1978--APR.	3.5	0.6	0.5	0.1	0.0	2.8	1.8	1.0	1.4
MAY	6.4	0.4	0.2	0.1	0.1	6.1	5.1	1.0	3.7
JUNE	2.9	-0.3	-0.4	0.1	0.1	3.1	1.5	1.6	-0.4
JULY	4.9	-0.8	-0.1	-0.2	-0.7	5.7	4.5	1.2	0.7
AUG.	3.6	1.5	1.7	0.2	-0.2	2.1	1.5	0.6	-1.1
SEPT.	6.7	1.8	1.5	0.2	0.0	4.9	3.2	1.7	1.8
OCT.	3.9	-0.3	-0.5	0.0	0.2	4.2	0.8	3.4	0.1
NOV.	11.7	-2.0	-1.5	-0.1	-0.4	13.8	13.1	0.7	7.2

NOTE: COLUMNS (1), (2), AND (9) ON THIS TABLE CORRESPOND TO COLUMNS (4), (6), AND (8), RESPECTIVELY, ON TABLE I--MONETARY AGGREGATES. FIGURES IN COLUMNS (1), (2), AND (6) REFLECT DAILY DATA REPORTED BY MEMBER BANKS, WITH ESTIMATES FOR NONMEMBER BANKS DERIVED FROM DATA REPORTED BY SMALL MEMBER BANKS, BENCHMARKED TO NONMEMBER CALL REPORT FIGURES. SAVINGS DEPOSITS OF BUSINESS AND GOVERNMENTAL UNITS--COLUMNS (4) AND (5)-- AND LARGE DENOMINATION TIME DEPOSITS --COLUMN (7)--REFLECT BREAKDOWNS REPORTED EACH WEDNESDAY BY LARGE COMMERCIAL BANKS BLOWN UP TO REPRESENT DEPOSITS AT ALL COMMERCIAL BANKS ON THE BASIS OF CALL REPORT RELATIONSHIPS.

TABLE 2
BANK RESERVES
ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

DEC. 15, 1978

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
MONTHLY LEVELS--\$MILLIONS							
1978--SEPT.	41,172	40,112	139,750	40,979	22,845	16,740	1,394
OCT.	41,434	40,156	140,782	41,261	23,059	16,618	1,584
NOV.	41,289	40,586	141,501	41,112	22,705	16,936	1,470
DEC.	(41,335)	(40,674)	(142,441)	(41,252)	(22,604)	(17,204)	(1,445)
PERCENT ANNUAL GROWTH							
QUARTERLY							
1978--2ND QTR.	11.5	3.7	10.4	11.7	13.1	10.1	
3RD QTR.	4.6	5.0	8.5	4.4	8.3	4.4	
4TH QTR.	(1.6)	(5.6)	(7.7)	(2.7)	(-4.2)	(11.1)	
QUARTERLY-AV							
1978--2ND QTR.	6.6	1.1	8.1	7.2	5.0	11.5	
3RD QTR.	8.2	6.2	9.0	8.2	9.5	6.6	
4TH QTR.	(2.6)	(5.6)	(8.5)	(3.0)	(2.7)	(6.4)	
MONTHLY							
1978--SEPT.	8.1	10.7	12.6	7.4	14.2	9.2	
OCT.	7.6	1.3	8.9	8.3	11.2	-8.7	
NOV.	-4.2	12.8	6.1	-4.3	-18.4	23.0	
DEC.	(1.3)	(2.6)	(8.0)	(4.1)	(-5.3)	(19.0)	
NOV.-DEC.	(-1.4)	(7.7)	(7.1)	(-0.1)	(-11.8)	(21.2)	
WEEKLY LEVELS--\$MILLIONS							
1978--NOV. 1	41,310	40,005	141,361	41,197	23,299	16,542	1,356
8	41,304	40,606	140,927	40,918	22,556	16,705	1,657
15	41,049	40,416	141,072	40,804	22,589	16,875	1,340
22	41,361	40,757	141,769	41,306	22,742	17,024	1,540
29	41,397	40,606	142,155	41,357	22,856	17,155	1,346
DEC. 6	41,576	40,878	142,215	41,470	22,666	17,230	1,574

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/}
(\$ million, not seasonally adjusted)

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
DECEMBER 15, 1978

	Treasury Bills Net Change <u>2/</u>	Treasury Coupons Net Purchases <u>3/</u>					Federal Agencies Net Purchases <u>4/</u>					Net Change Outright Holdings Total <u>5/</u>	Net RP's <u>6/</u>
		Within 1 year	1 - 5	5 - 10	Over 10	Total	Within 1 year	1 - 5	5 - 10	Over 10	Total		
1972	-490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	-46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	-154
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
1977	4,361	517	2,833	758	553	4,660	--	792	428	213	1,433	10,035	-2,892
1977--Qtr. III	886	116	681	96	128	1,021	--	--	--	--	--	4,273	-2,331
Qtr. IV	186	99	628	166	108	1,001	--	386	177	145	707	-643	34
1978--Qtr. I	-2,655	345	1,123	459	247	2,175	--	--	--	--	--	-555	-1,133
Qtr. II	5,444	288	1,156	468	334	2,246	46	127	104	24	301	7,930	1,224
Qtr. III	3,152	340	774	349	235	1,697	-92	-81	--	--	-173	4,632	266
1978--June	4,395	135	631	176	115	1,057	46	127	104	24	301	5,724	2,950
July	235	--	--	--	--	--	--	--	--	--	--	231	-2,536
Aug.	283	171	424	238	113	947	-92	-81	--	--	-173	1,043	1,701
Sept.	2,635	168	350	110	122	751	--	--	--	--	--	3,358	1,102
Oct.	-170	73	507	87	139	807	--	--	--	--	--	625	-1,594
Nov.	-2,151	139	628	163	108	1,037	--	--	--	--	--	-1,154	-1,265
1978--Oct. 4	721	--	--	--	--	--	--	--	--	--	--	712	-6,270
11	100	--	--	--	--	--	--	--	--	--	--	100	5,822
18	--	73	507	87	139	807	--	--	--	--	--	807	-6,962
25	--	--	--	--	--	--	--	--	--	--	--	-3	6,923
Nov. 1	-1,667	--	--	--	--	--	--	--	--	--	--	-1,672	-1,809
8	-2,052	--	--	--	--	--	--	--	--	--	--	-2,052	-6,663
15	-923	--	--	--	--	--	--	--	--	--	--	-923	1,783
22	504	139	628	163	108	1,037	--	--	--	--	--	1,540	2,092
29	716	--	--	--	--	--	--	--	--	--	--	683	2,643
Dec. 6	-245	--	--	--	--	--	--	--	--	--	--	-245	-10,500
13	-653	--	--	--	--	--	--	--	--	--	--	-657	6,851
20													
27													
LEVEL--Dec. 13	45.4	10.3	31.6	14.7	10.7	67.3	1.9	3.7	1.5	.9	7.9	120.6	-2.1

(in billions)

^{1/} Change from end-of-period to end-of-period.

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

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

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

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

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

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

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
DECEMBER 15, 1978

	U.S. Govt. Security Dealer Positions		Underwriting Syndicate Positions		Member Bank Reserve Positions				
	Bills	Coupon Issues	Corporate Bonds	Municipal Bonds	Excess** Reserves	Borrowing at FRB**		Basic Reserve Deficit**	
						Total	Seasonal	8 New York	38 Others
1977--High	7,234	3,017	295	487	513	1,861	131	-9,151	-13,975
Low	1,729	-1,445	0	116	-111	20	8	-4,234	- 8,206
1978--High	5,625	2,043	215	349	719	1,716	236	-8,224	-14,657
Low	278	-1,076	0	57	-227	172	25	-2,370	- 8,273
1977--Nov.	3,617	610	36	210	251	863	83	-6,971	-11,825
Dec.	4,257	804	195	367	193	570	55	-7,403	-11,350
1978--Jan.	4,127	327	42	293	268	484	32	-6,047	-12,299
Feb.	3,418	1,492	24	197	243	406	49	-4,980	-12,603
Mar.	2,713	740	96	268	200	328	47	-6,778	-11,060
Apr.	3,183	-183	46	202	149	557	44	-6,196	-12,998
May	1,203	5	25	264	219	1,212	92	-4,038	-11,653
June	2,847	78	35	188	178	1,094	120	-4,514	-12,202
July	1,196	-626	51	159	197	1,317	143	-3,651	-10,204
Aug.	1,994	423	34	176	168	1,139	189	-4,793	-11,089
Sept.	2,571	125	49	95	193	1,060	191	-5,098	-11,357
Oct.	1,495	-309	16	156	177	1,277	233	-4,651	-11,551
Nov.	*1,960	*462	23	115	182p	703p	186p	-3,448p	-13,452p
1978--Oct. 4	1,676	-19	35	126	123	1,286	213	-5,173	-10,398
11	1,393	-369	5	148	367	1,239	209	-6,292	-12,406
18	1,507	-528	24	236	-119	1,250	220	-4,918	-13,059
25	1,255	-290	0	113	367	1,314	236	-3,139	-10,731
Nov. 1	1,786	12	3	113	113	1,305	234	-3,843	-10,522
8	1,639	1,032	0	107	386	698	190	-4,221	-12,872
15	1,660	687	10	101	245	633	189	-4,763	-13,128
22	*1,462	*275	73	121	55p	604p	183p	-2,519	-14,657
29	*2,004	*135	30	169	40p	791p	180p	-2,370	-13,585
Dec. 6	*1,909	*-281	64	239	106p	698p	150p	-2,482p	-13,337p
13	*2,520	*-83	120p	310p	-4p	594p	132p	-4,081p	-13,348p
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
DECEMBER 15, 1978

	Short-Term							Long-Term								
	Federal Funds	Treasury Bills			CD's New Issue- NYC	Comm. Paper 90-119 Day	Bank Prime Rate	U.S. Govt.-Constant Maturity Yields			Corp.-Aaa Utility		Municipal Bond Buyer	Home Mortgages		
		Market		Auction				3-yr	7-yr	20-yr	New Issue	Recently Offered		Primary Conv.	Secondary Market	
		3-mo	1-yr	6-mo	90-Day	90-Day	Day						(11)		(12)	(13)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
1977--High	6.65	6.27	6.62	6.51	6.70	6.66	7.75	7.39	7.70	7.99	8.36	8.48	5.93	9.00	8.98	8.39
Low	4.47	4.41	4.67	4.56	4.50	4.63	6.25	5.83	6.59	7.26	7.90	7.95	5.45	8.65	8.46	7.56
1978--High	9.87	8.98	9.32	9.42	10.38	10.27	11.50	9.18	8.94	8.85	9.30	9.35	6.45	10.35	10.40	9.48
Low	6.58	6.16	6.55	6.42	6.65	6.68	7.75	7.40	7.72	8.01	8.61	8.48	5.58	8.98	9.13	8.43
1977--Nov.	6.51	6.10	6.52	6.43	6.56	6.54	7.75	7.22	7.46	7.76	8.28	8.25	5.49	8.92	8.86	8.19
Dec.	6.56	6.07	6.52	6.38	6.65	6.61	7.75	7.30	7.59	7.87	8.34	8.38	5.57	8.96	8.94	8.27
1978--Jan.	6.70	6.44	6.80	6.68	6.82	6.75	7.93	7.61	7.86	8.14	8.68	8.60	5.71	9.02	9.17	8.56
Feb.	6.78	6.45	6.86	6.74	6.77	6.76	8.00	7.67	7.94	8.22	8.69	8.67	5.62	9.15	9.31	8.64
Mar.	6.79	6.29	6.82	6.64	6.73	6.75	8.00	7.70	7.95	8.21	8.71	8.67	5.61	9.20	9.35	8.60
Apr.	6.89	6.29	6.96	6.70	6.84	6.82	8.00	7.85	8.06	8.32	8.90	8.85	5.80	9.36	9.44	8.71
May	7.36	6.41	7.28	7.02	7.20	7.06	8.27	8.07	8.25	8.44	8.95	8.98	6.03	9.57	9.66	8.90
June	7.60	6.73	7.53	7.20	7.66	7.59	8.63	8.30	8.40	8.53	9.09	9.07	6.22	9.70	9.91	9.05
July	7.81	7.01	7.79	7.47	8.00	7.85	9.00	8.54	8.55	8.69	9.14	9.18	6.28	9.74	10.01	9.15
Aug.	8.04	7.08	7.73	7.36	7.86	7.83	9.01	8.33	8.38	8.45	8.82	8.91	6.12	9.79	9.81	8.97r
Sept.	8.45	7.85	8.01	7.95	8.34	8.39	9.41	8.41	8.42	8.47	8.86	8.86	6.09	9.76	9.79	9.04r
Oct.	8.96	7.99	8.45	8.49	9.12	8.98	9.94	8.62	8.64	8.69	9.17	9.13	6.13	9.86	10.03	9.25r
Nov.	9.76	8.64	9.20	9.20	10.15	10.14	10.94	9.04	8.80	8.75	9.27	9.27	6.19	10.11	10.30	9.39r
1978--Oct. 4	8.85	8.03	8.19	8.38	8.75	8.64	9.75	8.50	8.56	8.64	9.04	9.04	6.07	9.85	9.91	9.19r
11	8.71	8.17	8.27	8.42	9.13	8.83	9.75	8.47	8.52	8.61	--	9.03	6.10	9.85	--	9.19r
18	8.78	7.91	8.37	8.56	9.21	8.97	10.00	8.57	8.63	8.67	9.19	9.15	6.14	9.85	9.98	9.19r
25	9.24	7.67	8.48	8.61	9.38	9.09	10.00	8.69	8.69	8.73	9.23	9.24	6.21	9.88	--	9.19r
Nov. 1	9.29	8.35	8.92	8.98	10.00	9.33	10.25	9.12	8.82	8.80	9.25	9.28	6.22	9.90	10.20	9.48r
8	9.77	8.85	9.28	9.42	10.00	10.01	10.61	9.10	8.84	8.80	9.30	9.30	6.17	10.05	--	9.39r
15	9.68	8.38	9.22	9.29	10.25	10.24	10.75	8.95	8.76	8.72	9.25	9.24	6.11	10.20	10.27	9.40r
22	9.68	8.36	9.02	9.00	10.25	10.21	10.96	8.96	8.78	8.72	--	9.25	6.16	10.28	--	9.35r
29	9.85	8.98	9.32	9.33	10.25	10.15	11.43	9.16	8.88	8.78	9.27	9.28	6.29	10.30	10.33	9.43r
Dec. 6	9.87	8.93	9.29	9.22	10.25	10.25	11.50	9.12	8.86	8.79	9.28	9.31	6.29	10.35	--	9.39r
13	9.79	8.90	9.27	9.26	10.38	10.27	11.50	9.18p	8.94p	8.85p	9.30p	9.35p	6.45	n.a.	10.40	9.43
20																
27																
Daily--Dec. 7	9.80	8.90	9.32	--	--	10.25	11.50	9.13	8.89	8.79	--	--	--	--	--	--
14	9.83p	8.90	9.25	--	--	10.30	11.50	9.19p	8.96p	8.87p	--	--	--	--	--	--

NOTE: Weekly data for columns 1, 2, 3, 6, and 7 are statement week averages of daily data. Weekly data in column 4 are average rates set in the auctions of 6-month bills that will be issued on the Thursday following the end of the statement week. Data in column 5 are 1-day Wednesday quotes. For columns 8 through 11, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 12 and 13 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 14 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 15 gives FNMA auction data for Monday preceding the end of the statement week. Column 16 is a 1-day quote for Monday preceding the end of the statement week. The FNMA auction yield is the average yield in bi-weekly auction for short-term forward commitments for Government underwritten mortgages. GNMA yields are average net yields to investors on mortgage-backed securities for immediate delivery, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the coupon rate 50 basis points below the current FHA/VA ceiling.

Appendix Table 1-A

Money and Credit Aggregate Measures

Period	Bank Reserves ^{1/}			Bank Credit	Money Stock Measures							
	Total	Non-borrowed	Monetary Base	Total Loans and Investments	M-1	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)											
1975	-0.6	2.6	5.6	3.9	4.6	8.8	8.4	11.1	6.6	9.7	10.5	9.8
1976	0.7	0.8	6.7	8.0	5.8	12.6	10.9	12.8	7.1	10.3	9.9	10.0
1977	5.3	3.1	8.3	11.3	7.9	9.3	9.8	11.7	10.1	11.8	11.6	11.6
2/												
SEMI-ANNUALLY:												
1ST HALF 1977	3.8	3.2	7.3	11.3	7.8	10.8	10.1	11.4	9.4	10.8	10.2	10.4
2ND HALF 1977	6.8	2.9	9.0	10.7	7.8	7.4	9.1	11.4	10.3	12.1	12.3	12.2
1ST HALF 1978	7.8	7.8	9.0	12.7	8.1	5.9	7.4	7.8	10.3	9.5	9.5	10.9
QUARTERLY:												
4TH QTR. 1977	7.5	8.2	9.6	9.5	6.6	4.7	7.2	9.3	11.5	11.8	12.0	12.7
1ST QTR. 1978	6.3	8.9	8.0	10.4	5.2	4.3	6.5	7.0	9.6	8.9	8.9	10.5
2ND QTR. 1978	11.5	3.7	10.4	17.0	11.5	7.7	8.8	8.4	10.0	9.2	9.1	10.2
3RD QTR. 1978	4.6	5.0	8.5	8.7	9.2	7.5	10.4	11.8	10.0	11.5	10.8	10.8
QUARTERLY-AV:												
4TH QTR. 1977	6.3	3.8	9.0	9.9	7.5	6.8	8.1	10.6	10.8	12.2	12.7	12.7
1ST QTR. 1978	8.8	14.4	9.7	10.1	6.2	4.9	6.9	7.7	10.3	9.8	9.9	11.3
2ND QTR. 1978	6.6	1.1	8.1	14.9	9.9	6.9	7.9	7.8	10.1	9.1	8.9	10.2
3RD QTR. 1978	8.2	6.2	9.0	10.8	7.6	5.3	8.9	10.1	8.8	9.9	9.0	9.4
MONTHLY:												
1977--NOV.	6.2	20.7	8.3	9.2	1.1	0.4	6.0	8.1	11.8	11.5	12.1	12.8
DEC.	6.7	16.1	10.5	6.3	8.2	5.4	6.1	7.9	9.9	10.1	9.7	11.0
1978--JAN.	14.8	17.8	13.4	14.4	11.3	9.4	9.5	9.2	11.8	10.6	11.3	12.7
FEB.	10.6	13.2	6.9	8.5	0.4	0.8	4.7	5.6	8.5	7.9	7.8	9.4
MAR.	-6.6	-4.3	3.4	7.9	3.9	2.5	5.1	6.2	8.3	8.0	7.4	9.0
APR.	8.9	2.0	7.7	19.9	19.6	13.6	11.2	9.5	11.9	10.2	10.2	11.4
MAY	10.2	-9.6	12.0	16.6	7.2	5.4	7.1	7.2	11.2	9.6	9.7	10.7
JUNE	14.9	19.0	11.1	13.7	7.5	4.0	7.8	8.4	6.6	7.6	7.2	8.2
JULY	14.0	7.6	8.5	11.0	4.8	1.5	8.0	9.4	8.2	9.4	7.6	8.0
AUG.	-8.2	-3.2	4.2	5.1	8.5	8.7	10.4	11.7	8.0	10.2	9.2	8.9
SEPT.	8.1	10.7	12.6	9.7	14.1	12.2	12.5	14.0	13.7	14.6	15.4	15.0
OCT.	7.6	1.3	8.9	9.8	3.7	1.8	7.0	10.0	6.4	9.5	7.9	7.9
NOV. P	-4.2	12.8	6.1	6.5	-4.6	-7.1	4.3	6.8	12.9	12.0	11.2	11.1

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

2/ BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY

Appendix Table 1-B

Money and Credit Aggregate Measures

Seasonally Adjusted, Billions of Dollars

Period	Bank Reserves ^{1/}			Bank Credit	Money Stock Measures							
	Total	Non-borrowed	Monetary Base	Total Loans and Investments	M-1	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:												
1975	36,643	36,513	113,019	726.2	295.2	456.4	664.7	1092.5	746.1	1173.8	1307.4	1350.7
1976	37,050	36,996	120,671	788.9	313.5	516.8	740.5	1236.5	803.2	1299.2	1437.6	1485.4
1977	38,961	38,391	130,789	875.5	338.5	560.2	809.5	1376.1	883.5	1450.1	1604.3	1660.5
MONTHLY:												
1977--NOV.	38,744	37,882	129,650	870.9	336.2	557.7	805.4	1367.1	876.3	1438.0	1591.4	1645.4
DEC.	38,961	38,391	130,789	875.5	338.5	560.2	809.5	1376.1	883.5	1450.1	1604.3	1660.5
1978--JAN.	39,443	38,959	132,252	886.0	341.7	564.6	815.9	1386.6	892.2	1462.9	1619.4	1678.1
FEB.	39,793	39,387	133,017	892.3	341.8	565.0	819.1	1393.1	898.5	1472.5	1629.9	1691.3
MAR.	39,573	39,245	133,390	898.6	342.9	566.2	822.6	1400.3	904.7	1482.3	1639.9	1704.0
APR.	39,868	39,311	134,251	913.5	348.5	572.6	830.3	1411.4	913.7	1494.9	1653.8	1720.2
MAY	40,208	38,936	135,596	926.1	350.6	575.2	835.2	1419.9	922.2	1506.9	1667.1	1735.5
JUNE	40,706	39,612	136,854	936.7	352.8	577.1	840.6	1429.8	927.3	1516.5	1677.1	1747.4
JULY	41,180	39,863	137,822	945.3	354.2	577.8	846.2	1441.0	933.6	1528.4	1687.7	1759.1
AUG.	40,897	39,757	138,302	949.3	356.7	582.0	853.5	1455.1	939.8	1541.4	1700.6	1772.2
SEPT.	41,172	40,112	139,750	957.0	360.9	587.9	862.4	1472.1	950.5	1560.2	1722.4	1794.4
OCT.	41,434	40,156	140,782	964.8	362.0	588.8	867.4	1484.4	955.6	1572.5	1733.8	1806.2
NOV. P	41,289	40,586	141,501	970.0	360.6	585.3	870.5	1492.8	965.9	1588.2	1750.0	1822.9
WEEKLY:												
1978-OCT. 11	41,533	40,294	140,424		364.3	591.6	869.4		955.8			
18	41,520	40,270	140,918		364.3	591.1	869.3		956.2			
25	41,218	39,904	140,538		358.8	585.3	865.2		954.1			
NOV. 1	41,310	40,005	141,361		361.2	586.9	868.2		960.0			
8	41,304	40,606	140,927		362.3	588.1	870.9		964.9			
15	41,049	40,416	141,072		361.4	586.7	870.9		966.3			
22P	41,361	40,757	141,769		359.3	583.7	870.1		966.3			
29P	41,397	40,606	142,155		358.7	582.6	869.2		965.6			
DEC. 6P	41,576	40,878	142,215		360.7	584.4	872.1		968.2			

NOTES: 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/} BASED ON DATA ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS. DATA SHOWN IN MILLIONS OF DOLLARS.

P - PRELIMINARY

APPENDIX TABLE 2-A

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits				Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities ^{1/}	Other Private Short-term Assets ^{1/}	
			Total	Other Than CD's		CD's						
				Total	Savings							Other
	1	2	3	4	5	6	7	8	9	10	11	12
(Per cent annual rates of growth)												
ANNUALLY: ^{2/}												
1975	8.9	3.3	7.9	11.7	17.5	7.8	-6.4	15.3	19.5	6.2	33.6	-7.0
1976	9.6	4.6	8.0	15.0	25.0	7.4	-23.4	15.5	18.8	6.9	7.1	11.9
1977	9.5	7.4	11.4	11.2	11.1	11.4	12.8	14.2	19.4	6.6	12.6	13.4
SEMI-ANNUALLY: ^{2/}												
1ST HALF 1977	8.7	7.4	10.4	11.9	15.3	8.9	0.6	12.9	16.6	6.4	2.6	15.9
2ND HALF 1977	9.8	7.1	11.8	10.0	6.4	13.3	24.9	14.5	20.6	6.5	22.3	10.1
1ST HALF 1978	9.6	7.7	11.7	6.9	2.1	11.1	43.5	7.6	17.4	6.3	12.0	51.9
QUARTERLY:												
4TH QTR. 1977	10.7	5.4	14.5	7.7	1.5	13.5	64.0	11.6	18.8	6.9	23.5	32.2
1ST QTR. 1978	9.5	3.8	12.3	7.4	2.6	11.5	43.2	6.9	17.9	6.3	11.3	55.4
2ND QTR. 1978	9.3	12.0	9.1	6.8	1.3	11.4	22.9	7.3	14.7	5.7	9.5	39.3
3RD QTR. 1978	10.3	8.9	10.6	11.3	4.5	17.0	6.5	13.8	15.0	4.6	3.4	9.1
QUARTERLY-AV:												
4TH QTR. 1977	10.3	6.4	13.0	8.5	5.4	11.6	44.9	13.9	20.0	6.4	29.7	12.9
1ST QTR. 1978	10.5	5.0	12.8	7.3	2.6	11.4	50.0	8.1	18.2	6.3	16.2	52.3
2ND QTR. 1978	8.4	10.3	10.1	6.4	1.6	10.5	32.8	6.8	15.8	6.2	7.5	45.6
3RD QTR. 1978	9.6	7.0	9.5	10.0	1.3	17.3	7.5	11.4	13.6	4.6	-3.0	19.3
MONTHLY:												
1977--NOV.	8.3	-1.0	18.5	9.5	-1.1	18.0	81.3	11.0	15.8	6.3	25.4	31.9
DEC.	12.3	6.8	10.9	4.6	1.1	8.7	52.5	9.5	18.2	6.3	7.8	51.1
1978--JAN.	10.8	11.0	12.3	8.4	6.0	10.0	37.3	7.8	17.9	6.3	29.4	51.2
FEB.	9.4	-2.4	13.3	7.6	1.1	13.2	48.8	6.2	15.2	6.2	9.1	55.2
MAR.	8.0	2.9	10.8	6.0	0.5	10.8	39.3	6.6	20.0	6.2	-4.5	52.8
APR.	6.6	23.8	7.5	5.3	3.3	6.5	20.5	6.6	14.7	6.2	13.5	43.1
MAY	11.8	5.6	13.6	6.7	2.2	11.5	53.2	6.8	12.1	6.1	13.4	34.3
JUNE	9.1	6.5	6.1	8.2	-1.6	16.0	-5.5	8.5	16.8	4.6	1.5	36.9
JULY	6.5	4.6	10.2	10.3	-4.3	22.5	9.7	11.1	11.8	6.1	-23.5	17.0
AUG.	9.0	8.7	7.5	11.5	8.1	14.2	-15.1	14.4	11.7	3.0	-7.5	3.4
SEPT.	15.3	13.2	13.8	11.8	9.7	13.6	25.0	15.5	20.9	4.5	42.2	6.7
OCT.	10.1	1.8	7.9	9.1	-1.6	17.7	1.4	14.9	6.8	4.5	-17.5	6.7
NOV. P	10.0	-10.4	23.7	10.7	-10.7	28.1	98.0	10.9	4.5	3.0	4.4	8.3

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

2/ BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY.

APPENDIX TABLE 2-B

DEC. 15, 1978

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/}	Other Private Short-term Assets ^{1/2/}	Non-Deposit Funds ^{3/}	Total Gov't Demand Deposits ^{4/}
			Total	Other Than CD's			CD's							
				Total	Savings	Other								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
ANNUALLY:														
1975	73.7	221.5	450.9	369.6	160.5	209.1	81.3	394.8	33.0	67.2	66.3	43.3	34.4	9.5
1976	80.7	232.8	489.7	427.0	201.9	225.1	62.7	456.9	39.1	71.9	66.5	47.8	51.0	12.6
1977	88.6	249.9	545.0	471.0	219.6	251.5	74.0	519.8	46.8	76.6	77.6	56.3	62.0	13.0
MONTHLY:														
1977--NOV.	87.7	248.5	540.1	469.2	219.4	249.7	70.9	515.7	46.1	76.2	77.1	54.0	60.1	8.0
DEC.	88.6	249.9	545.0	471.0	219.6	251.5	74.0	519.8	46.8	76.6	77.6	56.3	62.0	13.0
1978--JAN.	89.4	252.2	550.6	474.3	220.7	253.6	76.3	523.2	47.5	77.0	79.5	58.7	64.9	10.8
FEB.	90.1	251.7	556.7	477.3	220.9	256.4	79.4	525.9	48.1	77.4	80.1	61.4	65.5	8.5
MAR.	90.7	252.3	561.7	479.7	221.0	258.7	82.0	528.8	48.9	77.8	79.8	64.1	65.4	9.1
APR.	91.2	257.3	565.2	481.8	221.6	260.1	83.4	531.7	49.5	78.2	80.7	66.4	65.7	9.6
MAY	92.1	258.5	571.6	484.5	222.0	262.6	87.1	534.7	50.0	78.6	81.6	68.3	66.2	8.2
JUNE	92.8	259.9	574.5	487.8	221.7	266.1	86.7	538.5	50.7	78.9	81.7	70.4	66.4	12.9
JULY	93.3	260.9	579.4	492.0	220.9	271.1	87.4	543.5	51.2	79.3	80.1	71.4	66.7	15.5
AUG.	94.0	262.8	583.0	496.7	222.4	274.3	86.3	550.0	51.7	79.5	79.6	71.6	68.8	16.1
SEPT.	95.2	265.7	589.7	501.6	224.2	277.4	88.1	557.1	52.6	79.8	82.4	72.0	69.8	17.4
OCT.	96.0	266.1	593.6	505.4	223.9	281.5	88.2	564.0	52.9	80.1	81.2	72.4	74.9	21.2
NOV. P	96.8	263.8	605.3	509.9	221.9	288.1	95.4	569.1	53.1	80.3	81.5	72.9	73.2	21.7
WEEKLY:														
1978--OCT.	11	95.7	268.5	591.5	505.1	224.5	280.7	86.4					71.6	21.4
	18	96.0	268.3	592.0	505.0	224.0	281.0	87.0					74.3	24.1
	25	95.8	263.0	595.3	506.3	223.7	282.6	89.0					76.6	22.0
NOV.	1	96.5	264.6	598.9	507.1	222.9	284.2	91.8					79.8	19.6
	8	96.4	265.9	602.6	508.6	222.9	285.7	94.0					73.4	22.1
	15	96.6	264.8	604.9	509.5	222.4	287.1	95.4					68.2	20.4
	22P	96.9	262.4	607.0	510.7	221.5	289.2	96.3					72.2	23.1
	29P	97.0	261.7	606.9	510.5	221.1	289.5	96.4					76.3	23.5
DEC.	6P	97.2	263.5	607.5	511.5	220.9	290.6	96.1						17.0

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

2/ INCLUDES PRIVATE DOMESTIC NONFINANCIAL INVESTORS' HOLDINGS OF COMMERCIAL PAPER, BANKERS ACCEPTANCES, SECURITY RP'S AND MONEY MARKET MUTUAL FUND SHARES.

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

4/ INCLUDES TREASURY DEMAND DEPOSITS AT COMMERCIAL BANKS AND FEDERAL RESERVE BANKS AND TREASURY NOTE BALANCES.

P - PRELIMINARY