

Prefatory Note

The attached document represents the most complete and accurate version available based on original copies culled from the files of the FOMC Secretariat at the Board of Governors of the Federal Reserve System. This electronic document was created through a comprehensive digitization process which included identifying the best-preserved paper copies, scanning those copies,¹ and then making the scanned versions text-searchable.² Though a stringent quality assurance process was employed, some imperfections may remain.

Please note that some material may have been redacted from this document if that material was received on a confidential basis. Redacted material is indicated by occasional gaps in the text or by gray boxes around non-text content. All redacted passages are exempt from disclosure under applicable provisions of the Freedom of Information Act.

¹ In some cases, original copies needed to be photocopied before being scanned into electronic format. All scanned images were deskewed (to remove the effects of printer- and scanner-introduced tilting) and lightly cleaned (to remove dark spots caused by staple holes, hole punches, and other blemishes caused after initial printing).

² A two-step process was used. An advanced optical character recognition computer program (OCR) first created electronic text from the document image. Where the OCR results were inconclusive, staff checked and corrected the text as necessary. Please note that the numbers and text in charts and tables were not reliably recognized by the OCR process and were not checked or corrected by staff.

MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

October 15, 1976

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M_1 remained essentially unchanged in September, but appears to be increasing at a relatively rapid rate in October. For the two months combined its growth is now projected at about a 3.5 per cent annual rate, a shade below the low end of the Committee's 4 to 8 per cent operating range. However, expansion in bank time and savings deposits other than money market CD's has been substantially stronger than anticipated during both September and early October, so that growth in M_2 appears to be running above the mid-point of its range. Deposit inflows at nonbank thrift institutions have continued at an unusually high rate.

Growth in Monetary Aggregates
over September-October Period^{1/}
(SAAR in per cent)

	<u>Ranges</u>	<u>Latest Estimates</u>
M_1	4 to 8	3.5
M_2	8 to 12	11.2

Memo:

Federal funds rate
(per cent per annum)

<u>Avg. for statement week ending</u>	
Sept. 22	5.21
29	5.32
Oct. 6	5.17
13	5.02

^{1/} These figures do not incorporate the regular quarterly benchmark revision of monetary aggregates that will be published on Thursday, October 21. The revisions (based on the March call report) are generally quite small, however. The level of M_1 for each month of this year was revised up no more than \$100 million, and quarterly growth rates for M_1 for the first three quarters of the year hardly changed. The level of M_2 , however, was revised downward more substantially and its quarterly growth rates were lowered by about 1/2 percentage point. 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 Table IV.

(2) Despite expansion of M_1 and M_2 in the September-October period, nonborrowed reserves appear to be showing little net change over that time.^{2/} This divergent behavior in part reflects the effect of lagged reserve requirements. In addition, total demand deposits at banks (including Government and interbank) are declining somewhat on balance, releasing reserves to support expansion in time and savings deposits.

(3) In the week immediately following the September Committee meeting, incoming data suggested that growth in M_1 and M_2 would be well within the Committee's two-month ranges. Accordingly, the Desk continued to aim at a Federal funds rate of 5-1/4 per cent. In the following two statement weeks, however, new data indicated a weakening in demand deposit flows. As a result, the projected 2-month growth rate for M_1 was lowered to below Committee's range but M_2 remained around the mid-point. The Desk responded by gradually lowering its Federal funds rate objective to the 5 per cent currently prevailing.

(4) Short-term interest rates have dropped 10 to 35 basis points since the September Committee meeting, while yields on Treasury issues in the 2 to 4 year maturity range have dropped 50 basis points. This flattening of the yield curve in part may reflect market expectations of less upward interest rate pressure for some time ahead. In the bond area, yields have declined 5 to 25 basis points over the past four weeks. The reduced average level of market rates resulted from the easing in money

^{2/} Appendix A contains a discussion of the actual behavior of nonborrowed reserves in the weeks between the September and October meetings relative to the behavior that was expected to be consistent with the Committee's short-run ranges for monetary growth.

market conditions brought about by Desk operations, from weak M_1 data published for late September, and from widely publicized downward revisions in market forecasts of economic growth over the next several quarters. The unfavorable economic news has apparently also dampened enthusiasm in the stock market, resulting in a substantial decline in stock prices.

(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.

	Calendar Year	Twelve Months	Past Six Months	Past Three Months	Past Month
	1975	Sept. '76 over Sept. '75	Sept. '76 over Mar. '76	Sept. '76 over June '76	Sept. '76 over Aug. '76
Nonborrowed reserves	1.3	0.8	2.1	1.1	-4.3
Total reserves	-.4	-0.2	2.1	0.3	-5.6
Monetary Base	5.8	6.7	7.1	5.4	4.5
<u>Concepts of Money</u> (Revised Series)					
M ₁ (currency plus demand deposits) <u>1/</u>	4.1	4.3	5.5	4.1	-0.4
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	8.5	9.7	9.9	10.3	9.5
M ₃ (M ₂ plus deposits at thrift institutions)	11.3	11.9	12.2	13.1	13.2
M ₄ (M ₂ plus CD's)	6.4	6.4	6.1	5.0	5.7
M ₅ (M ₃ plus CD's)	9.7	9.6	9.7	9.6	10.6
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	3.9	3.5	2.8	0.8	1.8
Loans and investments of commercial banks <u>2/</u>	4.4	5.5	5.7	7.0	5.9
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-.6	-1.4	-1.8	-2.7	-2.0
Nonbank commercial paper	-.2	--	.1	-.4	-1.4

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) Current longer-run growth ranges and three alternatives for Committee consideration are shown below. In keeping with usual procedures, the proposed longer-run ranges pertain to the one-year period from QIII '76 to QIII '77. (The current ranges relate to the QII '76-QII '77 period.)

	<u>Current</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
M ₁	4½-7	5½-8	4½-7	3½-6
M ₂	7½-9½	10-12	8½-10½	7½-9½
M ₃	9-11	11½-13½	10-12	8½-10½
Bank credit proxy	5-8	6½-9½	5½-8½	5-8

(7) It appears that the longer-run relationship between M₁ and the other monetary aggregates may be changing from earlier expectations. From the second to the third quarter of 1976 M₁ grew at a 4 per cent annual rate--somewhat below the lower limit of the FOMC's longer-run range. However, over that period M₂ expanded at about a 9-1/4 per cent annual rate, close to the upper limit of its longer-run range, and M₃ rose at a rate slightly above the upper end of its range. The staff had expected relatively rapid growth in M₂ and M₃ in the third quarter. Growth in M₁ over the third quarter was slower than anticipated, however, and interest rates somewhat lower.

(8) The staff anticipates continued moderation in M₁ growth relative to M₂ and M₃. In some part, this reflects an expectation that shifts from demand to savings deposits will be a little larger than the staff had earlier anticipated. In addition, in view of the less expansive economy now projected, market interest rates are expected to be under less upward

pressure over the next few quarters than previously thought. Therefore, investors are likely to have a somewhat greater preference than earlier assumed for time and savings deposits relative to market instruments.

(9) Under the circumstances, the three lettered alternatives incorporate a different relationship between M_1 and the broader aggregates than is contained in the set of longer-run ranges currently in place. Under alternative C, the growth ranges for the broader monetary aggregates are about the same as those that now prevail, but the range for M_1 is lower. Alternative B continues the current growth range for M_1 , but involves somewhat higher ranges for M_2 and M_3 . Alternative A--which contemplates little change in interest rates over the next year--contains higher ranges for all of the monetary aggregates.^{1/}

(10) Shorter-run specifications for the monetary aggregates and the Federal funds rate thought to be consistent with the proposed longer-run alternatives are summarized below. More detailed data--including one-year growth rates for the QII '76-QII '77 period as well as for the QIII '76-QIII '77 period--are shown in the tables on the following two pages.

^{1/} Levels of the monetary aggregates for QII '77 implied by growth from QII '76 at the mid-point of the ranges currently in place relate to the proposed alternatives in the following way. The implied QII '77 level for M_1 is midway between alternatives A and B. For M_2 and M_3 , the implied levels for QII '77 are best approximated by alternative C, after taking account of the downward revision in levels associated with the new benchmark revision.

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>
1976	September	306.3	306.3	306.3	716.4	716.4	716.4	1195.2	1195.2	1195.2
	October	308.3	308.3	308.3	723.3	723.3	723.3	1208.9	1208.9	1208.9
	November	309.9	309.7	309.5	730.4	729.4	728.6	1222.8	1221.2	1219.6
1976	QII	302.8	302.8	302.8	695.0	695.0	695.0	1149.1	1149.1	1149.1
	QIII	305.9	305.9	305.9	710.9	710.9	710.9	1182.4	1182.4	1182.4
	QIV	309.9	309.8	309.6	730.4	729.4	728.6	1222.8	1221.1	1219.2
1977	QI	315.5	314.4	313.2	751.2	747.6	744.2	1262.0	1255.9	1247.2
	QII	321.0	319.1	316.8	770.3	764.2	758.0	1297.8	1286.3	1271.3
	QIII	326.5	323.5	320.3	788.3	779.7	771.3	1331.7	1313.9	1294.6

Growth Rates

Monthly:

1976	October	7.8	7.8	7.8	11.6	11.6	11.6	13.8	13.8	13.8
	November	6.2	5.4	4.7	11.8	10.1	8.8	13.8	12.2	10.6

Quarterly Average:

1976	QIII	4.1	4.1	4.1	9.2	9.2	9.2	11.6	11.6	11.6
	QIV	5.2	5.1	4.8	11.0	10.4	10.0	13.7	13.1	12.4
1977	QI	7.2	5.9	4.7	11.4	10.0	8.6	12.8	11.4	9.2
	QII	7.0	6.0	4.6	10.2	8.9	7.4	11.3	9.7	7.7
	QIII	6.9	5.5	4.4	9.3	8.1	7.0	10.4	8.6	7.3

Semi-annual

QII '76-QIV '76	4.7	4.6	4.5	10.2	9.9	9.7	12.8	12.5	12.2
QIV '76-QII '77	7.2	6.0	4.7	10.9	9.5	8.1	12.3	10.7	8.5

Long-run

QII '76-QII '77	6.0	5.4	4.6	10.8	10.0	9.1	12.9	11.9	10.6
QII '76-QIII '77	6.3	5.5	4.6	10.7	9.7	8.8	12.7	11.5	10.1
QIII '76-QIII '77	6.7	5.8	4.7	10.9	9.7	8.5	12.6	11.1	9.5

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>
1976	September	778.8	778.8	778.8	1257.6	1257.6	1257.6	523.3	523.3	523.3
	October	785.4	785.4	785.4	1271.0	1271.0	1271.0	526.3	526.3	526.3
	November	792.3	791.2	790.5	1284.7	1283.0	1281.6	531.0	530.2	529.8
1976	QII	765.1	765.1	765.1	1219.2	1219.2	1219.2	518.3	518.3	518.3
	QIII	776.3	776.3	776.3	1247.8	1247.8	1247.8	523.1	523.1	523.1
	QIV	792.3	791.3	790.6	1284.7	1283.0	1281.3	530.2	529.5	529.1
1977	QI	813.2	809.6	806.8	1324.0	1317.9	1309.8	542.2	539.8	538.2
	QII	832.6	827.1	822.4	1360.1	1349.2	1335.7	552.4	548.9	546.2
	QIII	851.7	844.3	838.1	1395.1	1378.5	1361.3	565.4	560.8	557.3

Growth Rates

Monthly:

1976	October	10.2	10.2	10.2	12.8	12.8	12.8	6.9	6.9	6.9
	November	10.5	8.9	7.8	12.9	11.3	10.0	10.7	8.9	8.0

Quarterly Averages:

1976	QIII	5.9	5.9	5.9	9.4	9.4	9.4	3.7	3.7	3.7
	QIV	8.2	7.7	7.4	11.8	11.3	10.7	5.4	4.9	4.6
1977	QI	10.6	9.3	8.2	12.2	10.9	8.9	9.1	7.8	6.9
	QII	9.5	8.6	7.7	10.9	9.5	7.9	7.5	6.7	5.9
	QIII	9.2	8.3	7.6	10.3	8.7	7.7	9.4	8.7	8.1

Semi-annual

QII '76-QIV '76	7.1	6.8	6.7	10.7	10.5	10.2	4.6	4.3	4.2
QIV '76-QII '77	10.2	9.0	8.0	11.7	10.3	8.5	8.4	7.3	6.5

Long-run

QII '76-QII '77	8.8	8.1	7.5	11.6	10.7	9.6	6.6	5.9	5.4
QII '76-QIII '77	9.1	8.3	7.6	11.5	10.5	9.3	7.3	6.6	6.0
QIII '76-QIII '77	9.7	8.8	8.0	11.8	10.5	9.1	8.1	7.2	6.5

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for Oct.-Nov.			
M ₁	5-9	4½-8½	4-8
M ₂	10-14	9-13	8-12
Federal funds rate (Inter-meeting period)	4-5	4½-5½	5-6

(11) Alternative B, which has a Federal funds rate range centered on 5 per cent, assumes that money market conditions remain unchanged between now and the next Committee meeting. Growth in M₁ under this alternative is expected to accelerate into a 4-1/2 to 8-1/2 per cent annual rate range over the October-November period--in large part because of the substantial increase that has already occurred in early October. Moreover, nominal GNP is projected to expand at about an 11-1/2 per cent annual rate in the fourth quarter, up from an 8-1/2 per cent rate in the third, and this should strengthen transactions demands for money. Growth in M₂ is expected to remain quite large over the 2-month period, reflecting not only the projected rebound in M₁ growth but also the expectation that net inflows into time and savings deposits (other than money market CD's) will continue large as market interest rates over the next few weeks remain low relative to offering rates on these deposits.

(12) The staff would still expect interest rates to rise over the longer run under alternative B, given the projected pace of economic activity. However, we would now anticipate a Federal funds rate no higher than about 6 per cent by mid-'77 and perhaps rising to around 6-1/2 per cent later that year, as may be seen from Appendix Table II. This represents

both more delayed, and less, interest rate pressure than anticipated earlier. M_2 and M_3 would, as a result, probably show somewhat more strength over the longer run relative to M_1 than previously expected-- although growth rates in the broader monetary aggregates would, of course, be expected to slacken over the next few quarters.

(13) Over the next few weeks, interest rates would be likely to show little net change under alternative B. About \$4 billion of publicly-held debt maturing on November 15 will need to be rolled over, and the Treasury may also take the opportunity to raise about \$2-1/2 billion of new cash. Private credit demands in short-term markets, including demands at banks, are likely to remain quite moderate over the next few weeks. With banks expected to receive large inflows of funds from M_2 deposits, they probably will permit CD's to run off somewhat further over the next few weeks and may also be substantial investors in intermediate- and short-term issues offered in the Treasury refunding. Thus, interest rates in short- and intermediate-term market sectors are not likely to be under any pressure from market forces over the period immediately ahead. However, some upward pressure on private long-term rates may be generated if the Treasury offers a substantial amount of the new issues in the 10-year and longer maturity area, given the existing relatively narrow spread between Treasury and corporate issues and the sizable forward calendar of corporate and State and local government bonds.

(14) Alternative C involves a rise in the funds rate over the next few weeks to the 5-1/2 per cent mid-point of a 5-6 per cent range.

Under those conditions, market interest rates would, of course, rise between now and the next Committee meeting. The increase might be fairly sharp since a sizable Treasury financing will be in process and since current dealer positions in Treasury securities remain substantial, although not quite as large as a month ago. Net inflows of funds to banks and thrift institutions through interest-bearing deposits, particularly savings deposits, would be constrained somewhat by such a move in the funds rate-- which would probably be accompanied by a rise in the 3-month bill rate back to near 5-1/2 per cent. However, the net inflows of interest-bearing deposits would still remain ample, and banks and thrift institutions would not be likely to tighten non-price lending terms, even though the prime loan rate, and perhaps mortgage rates, might edge upwards.

(15) Further increases in interest rates can be expected over the longer-run under alternative C, assuming M_1 growth over the QIII '76-QIII '77 period is constrained to around 4-3/4 per cent. As shown in the appendix table, a funds rate as high as 7-3/4 per cent might develop by the fall of 1977.

(16) Alternative A encompasses an easing of the money market between now and the next Committee meeting. Such an approach seems most consistent with an effort to raise longer-run growth rates from those currently in place. The contemplated 1/2 point reduction in the Federal funds rate in the near-term would lead to a significant decline in market rates-- and also probably in the prime loan and primary mortgage rates--over the next few weeks. There would be some further increase in net inflows of

interest-bearing deposits at banks and thrift institutions. As such inflows continued, and as market rates declined, it is likely that earnings experience would place these institutions under some pressure to reduce interest rates offered on deposits. However, no substantial reductions would be likely over the next few weeks.

Proposed directive

(17) Presented below are four alternative formulations for the operational paragraph of the directive. The first three are couched in terms of desired growth in monetary aggregates over the months ahead and are intended to correspond to the similarly lettered policy alternatives discussed in the preceding section. The fourth alternative is proposed in the event that the Committee wishes to formulate its instructions in terms of money market conditions and to maintain the conditions now prevailing.

Alternative "Monetary Aggregates" Proposals

Alternative A

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

Alternative B

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

Alternative C

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

"Money Market" Proposal

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ~~achieve~~ MAINTAIN PREVAILING bank reserve and money market conditions ~~consistent-with-moderate-growth-in-monetary-aggregates~~ over the period IMMEDIATELY ahead, PROVIDED THAT MONETARY AGGREGATES APPEAR TO BE GROWING AT ABOUT THE RATES CURRENTLY EXPECTED.

APPENDIX A

Comparison of Actual and Targeted Reserves

The table below compares the actual average level of reserves for the four-week period ending October 20 with the "targeted" level that had been thought consistent with the mid-points of the short-run ranges for the monetary aggregates adopted at the last FOMC meeting.

	<u>Actual</u> ^{1/}	<u>Targeted</u>	<u>Differences</u>
1. (2+3) Nonborrowed reserves	34,474	34,304	170
2. Required reserves	34,275	34,167	108
3. (4-5) Free reserves	199	137	62
4. Excess reserves	268	215	53
5. Member bank borrowing	69	78	-9
6. (1+5) Total reserves	34,543	34,382	161
7. Currency	82,286	82,422	-136
8. (6+7) Monetary base	116,829	116,804	25

As can be seen from the table, actual nonborrowed reserves were \$170 million higher than the "targeted" level. Banks held more free reserves than the staff expected, reflecting a slightly lower level of borrowing and greater demand for excess reserves by banks than anticipated. Meanwhile, actual required reserves were about \$100 million above expectations as both the level of deposits, on a lagged basis, subject to reserves and the average reserve ratio against deposits turned out to be somewhat higher than expected.

^{1/} Includes week of October 20, which is partly estimated.

Total reserves were also higher than expected. But the monetary base was only slightly above the targeted level, as currency growth was less than anticipated.

Appendix Table I

Reserve Measures Consistent With Short-run Alternatives
(seasonally adjusted)

	<u>Average of 4 weeks</u> <u>Oct. 27 to Nov. 17</u> (\$ million)			<u>Change from average of</u> <u>previous 4-week period</u> (\$ million)			<u>2-month Annual Percentage</u> <u>Growth Rate for Oct.-Nov.</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>
Nonborrowed reserves	34,362	34,326	34,265	-75	-111	-172	4.5	4.0	2.8
Member bank borrowing	35	50	90	-34	-19	21	--	--	--
Excess reserves	263	241	220	32	10	-11	--	--	--
Other reserve aggregates:									
Total reserves	34,397	34,376	34,355	-109	-130	-152	4.1	3.8	3.5
Monetary base ^{1/}	117,413	117,399	117,378	605	591	570	8.9	8.9	8.7
Nonborrowed monetary base	117,378	117,349	117,288	639	610	549	9.0	8.9	8.5

^{1/} Total reserves plus currency held outside the Treasury, the Federal Reserve, and member banks.

Appendix Table II

Projected Federal Funds Rates

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1976	QIV	4½	5-1/8	5½
1977	QI	4½	5½	6½
	QII	5	6	7½
	QIII	5½	6½	7½

Appendix Table III

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

		<u>M₁</u>		<u>M₂</u>		<u>M₃</u>	
		<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>
1973	I	3.6	7.4	7.3	9.2	8.4	10.3
	II	10.1	6.4	9.9	8.2	9.8	8.5
	III	1.8	5.5	6.3	7.9	6.1	7.8
	IV	7.8	5.1	10.5	9.0	9.9	8.4
QIV '72-QIV '73		6.0	6.2	8.8	8.8	8.8	9.0
1974	I	5.3	6.0	9.0	9.6	8.4	8.9
	II	5.3	5.6	6.9	7.4	5.7	6.5
	III	3.0	4.2	5.5	6.4	5.2	5.6
	IV	4.7	4.0	6.6	6.4	7.2	6.5
QIV '73-QIV '74		4.7	5.0	7.2	7.7	6.8	7.1
1975	I	1.4	0.6	6.9	5.6	9.0	7.5
	II	9.7	7.4	12.5	10.2	14.5	12.6
	III	3.6	7.1	6.5	10.1	10.7	13.3
	IV	1.6	2.3	7.0	6.4	9.3	9.4
QIV '74-QIV '75		4.1	4.4	8.5	8.3	11.3	11.1
1976	I	4.5	2.7	11.0	9.7	12.3	11.2
	II	6.8	8.4	9.3	10.8	10.9	12.1
	III	4.1	4.1	10.3	9.2	13.1	11.6

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

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

APPENDIX TABLE IV

Comparison of Old and Revised Money Stock Growth Rates

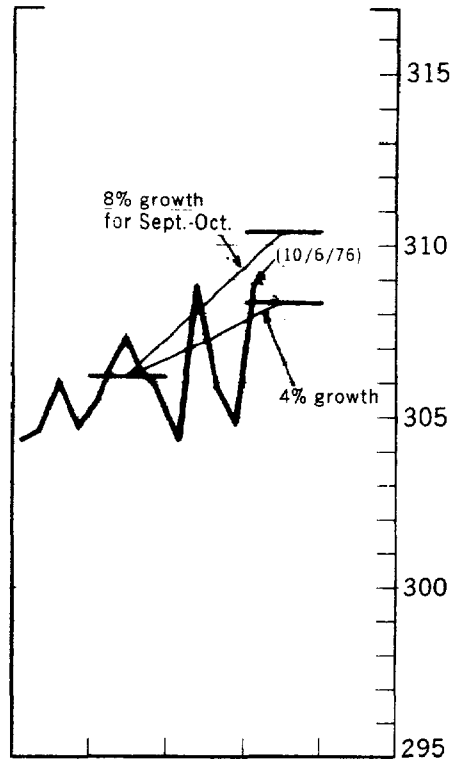
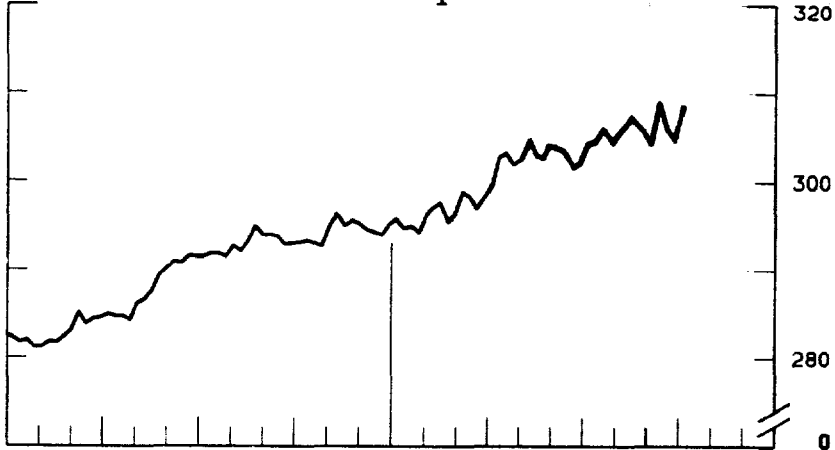
	M_1		M_2		M_3	
	<u>Old</u>	<u>Revised</u>	<u>Old</u>	<u>Revised</u>	<u>Old</u>	<u>Revised</u>
1976--January	1.2	1.2	10.7	9.8	11.9	11.3
February	5.7	6.1	14.9	14.5	14.7	14.6
March	6.1	6.1	8.7	8.5	11.0	10.6
April	14.9	14.9	14.9	14.4	14.6	14.4
May	6.4	6.8	9.2	8.5	10.8	10.5
June	-0.8	-1.2	5.3	4.8	8.0	7.6
July	6.7	6.7	12.5	11.9	13.3	13.0
August	5.9	5.9	9.8	9.0	13.2	12.7
September	-0.4	-0.4	10.1	9.6	13.5	13.2
Quarterly: ^{1/}						
1976--I	4.3	4.5	11.5	11.0	12.6	12.3
II	6.8	6.8	9.9	9.3	11.3	10.9
III	4.1	4.1	10.9	10.3	13.5	13.1
Quarterly average:						
1976--I	2.6	2.7	10.1	9.7	11.4	11.2
II	8.4	8.4	11.3	10.8	12.4	12.1
III	4.1	4.1	9.8	9.2	12.0	11.6

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

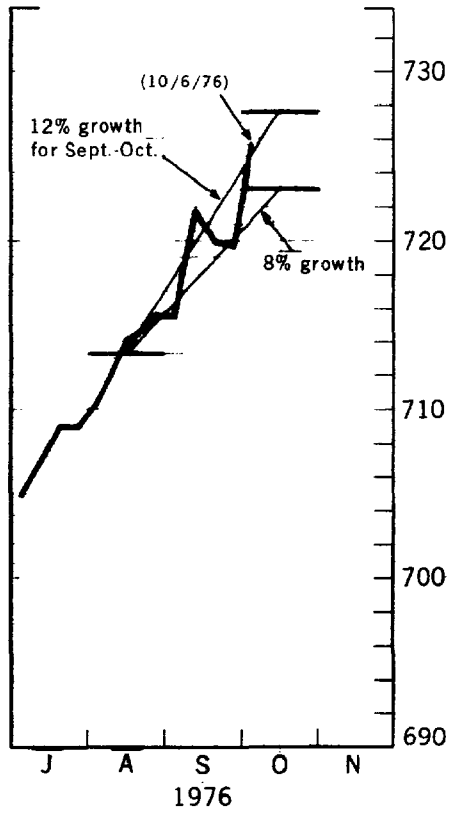
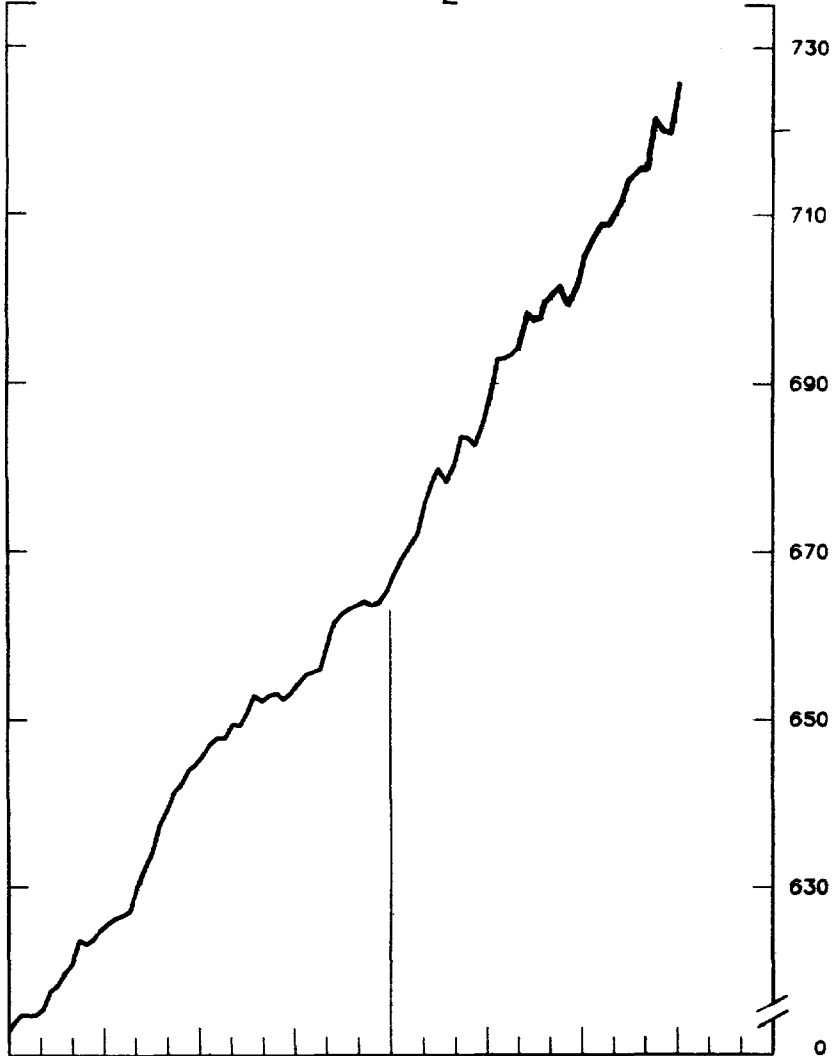
MONETARY AGGREGATES

NARROW MONEY SUPPLY M₁

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY M₂



1975

1976

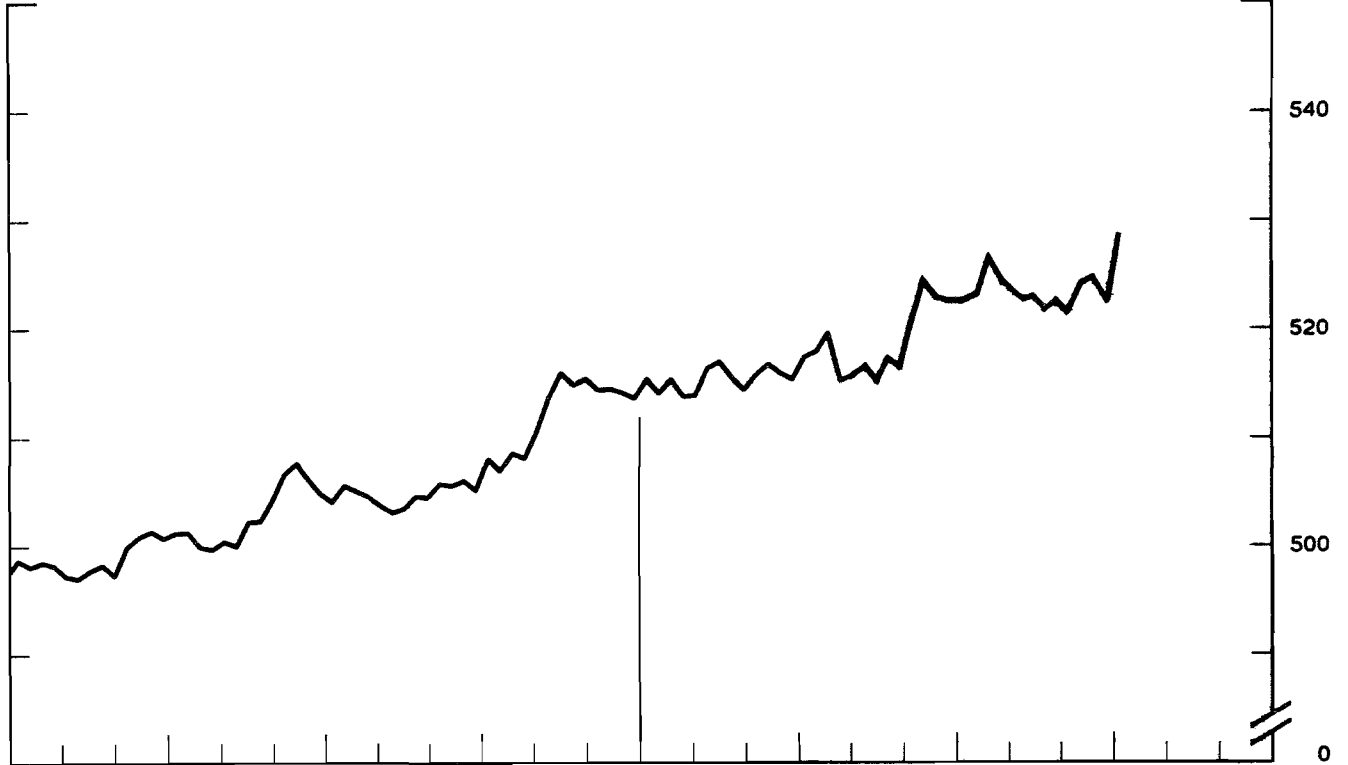
1976

J A S O N

MONETARY AGGREGATES

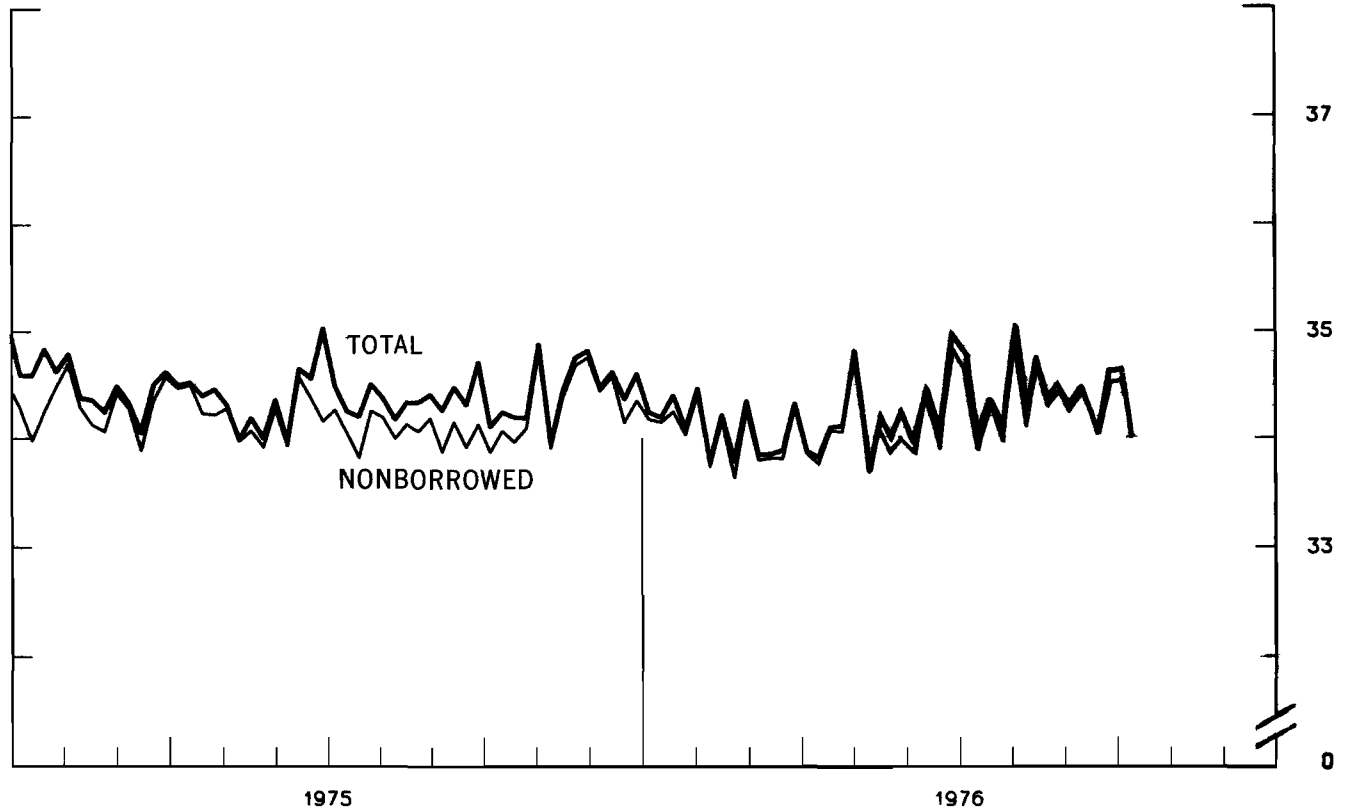
ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



RESERVES

BILLIONS OF DOLLARS



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

MONEY MARKET CONDITIONS AND INTEREST RATES

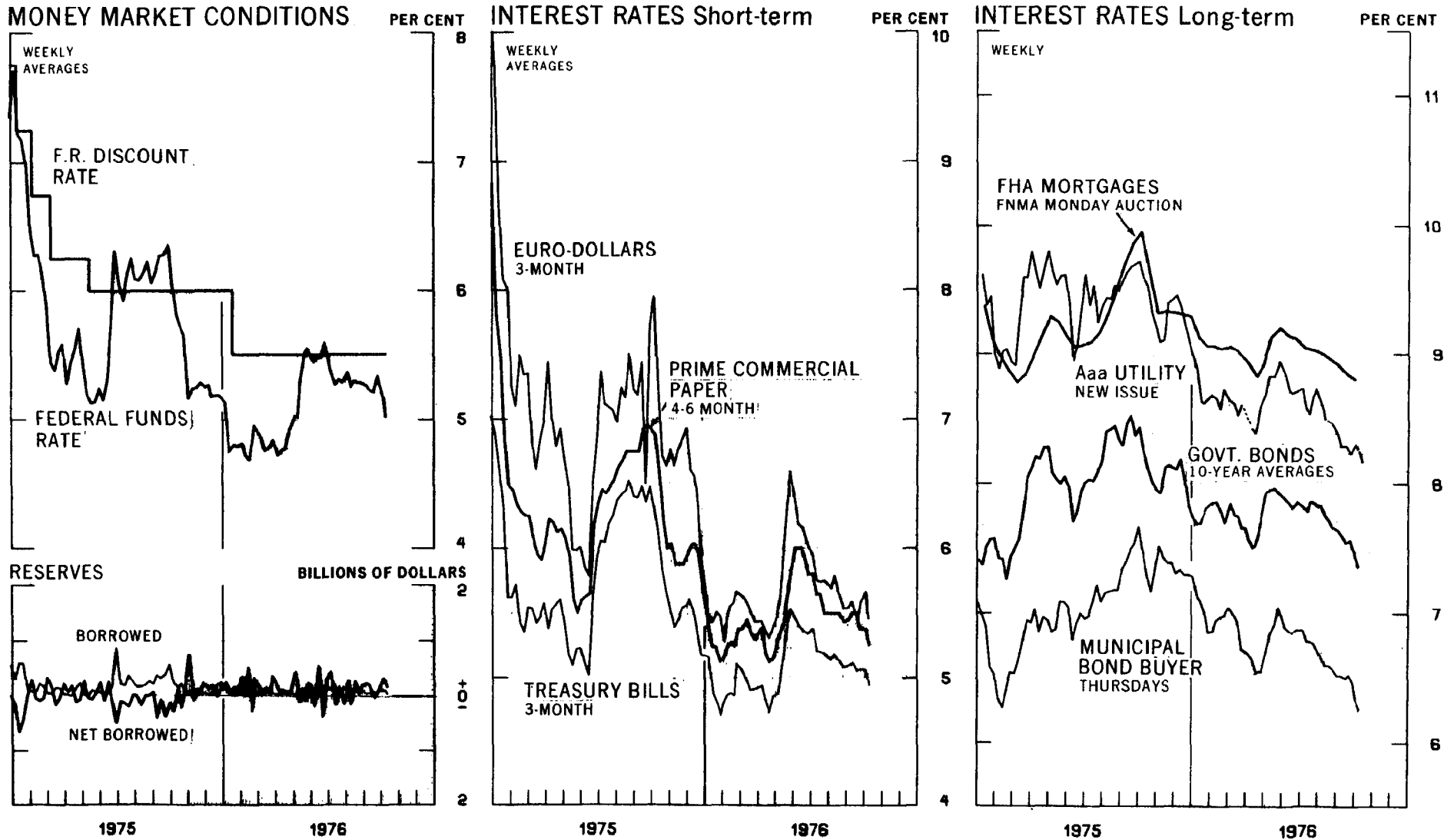


Table 1

CONFIDENTIAL (FR)
CLASS II-FOMC**MONETARY AGGREGATES**

OCT. 15, 1976

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											
1976--JULY	304.8	707.6	523.6	9.0	472.4	402.8	181.1	221.7	69.6	8.8	2.7
AUG.	306.3	713.4	522.5	13.8	471.5	407.1	184.4	222.8	64.4	6.9	3.9
SEPT.	306.2	719.4	523.3	13.0	475.6	413.2	187.9	225.4	62.4	8.2	3.8
OCT.	(308.1)	(726.7)	(526.3)	(13.3)	(480.7)	(418.5)	(191.9)	(226.7)	(62.2)	(8.5)	(3.3)
% ANNUAL GROWTH											
QUARTERLY											
1976--1ST QTR.	4.3	11.5	1.2		5.4	17.1	32.4	5.6	-47.3		
2ND QTR.	6.8	9.9	4.9		8.2	12.4	13.6	11.3	-13.7		
3RD QTR.	4.1	10.9	0.8		6.6	16.0	19.0	13.8	-46.5		
QUARTERLY-AV											
1976--1ST QTR.	2.6	10.1	2.3		7.8	15.9	28.3	6.7	-29.3		
2ND QTR.	8.4	11.3	2.4		6.3	13.7	21.7	7.0	-30.6		
3RD QTR.	4.1	9.8	3.7		8.0	14.1	13.4	14.9	-26.2		
MONTHLY											
1976--JULY	6.7	12.5	3.0		11.5	16.6	11.4	20.9	-17.0		
AUG.	5.9	9.8	-2.5		-2.3	12.8	21.9	6.0	-89.7		
SEPT.	-0.4	10.1	1.8		10.4	18.0	22.8	14.0	-37.3		
OCT.	(7.4)	(12.2)	(6.9)		(12.9)	(15.4)	(25.5)	(6.9)	(-3.8)		
SEPT.-OCT.	(3.5)	(11.2)	(4.4)		(11.7)	(16.8)	(24.4)	(10.5)	(-20.5)		
WEEKLY LEVELS--\$BIL											
1976--SEPT. 1	305.9	715.6	522.6	15.9	472.5	409.7	185.9	223.8	62.8	8.6	3.6
8	304.3	715.6	521.5	16.0	473.7	411.3	186.8	224.5	62.4	7.9	5.7
15	308.9	721.7	524.1	10.0	474.8	412.8	187.5	225.2	62.0	7.7	3.6
22	305.8	719.9	524.6	12.7	476.3	414.1	188.2	225.9	62.2	8.7	4.0
29	304.8	719.7	522.6	12.5	477.8	415.0	189.1	225.9	62.9	8.4	2.9
OCT. 6 P	308.8	725.7	528.6	13.1	479.6	416.9	190.8	226.1	62.7	8.4	3.2

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

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

P - PRELIMINARY

TABLE 2

BANK RESERVES

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

OCT. 15, 1976

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							
1976--JULY	34,387	34,254	115,150	34,152	19,952	12,003	2,198
AUG.	34,524	34,424	115,769	34,317	20,166	11,797	2,355
SEPT.	34,364	34,302	116,202	34,160	20,153	11,654	2,353
OCT.	(34,452)	(34,394)	(116,957)	(34,207)	(20,060)	(11,687)	(2,460)
PERCENT ANNUAL GROWTH							
QUARTERLY							
1976--1ST QTR.	-6.2	-5.3	4.6	-5.7	-2.0	-11.0	
2ND QTR.	3.9	3.1	8.8	4.0	6.0	-1.0	
3RD QTR.	0.3	1.1	5.4	0.5	4.0	-6.4	
QUARTERLY--AV							
1976--1ST QTR.	-3.8	-3.2	5.3	-3.6	-1.0	-6.5	
2ND QTR.	0.8	0.5	8.5	1.2	4.2	-4.4	
3RD QTR.	3.0	3.0	6.0	2.8	3.6	-0.8	
MONTHLY							
1976--JULY	1.8	1.6	5.2	1.1	-0.1	16.3	
AUG.	4.8	6.0	6.5	5.8	12.9	-20.6	
SEPT.	-5.6	-4.3	4.5	-5.5	-0.8	-14.5	
OCT.	(3.1)	(3.2)	(7.8)	(1.7)	(-5.5)	(3.4)	
SEPT.--OCT.	(-1.3)	(-0.5)	(6.2)	(-1.9)	(-3.2)	(-5.6)	
WEEKLY LEVELS--\$MILLIONS							
1976--SEPT. 1	34,505	34,412	115,817	34,215	20,248	11,686	2,281
8	34,278	34,233	115,785	34,005	20,115	11,659	2,231
15	34,467	34,406	116,288	34,208	20,239	11,652	2,317
22	34,045	34,001	115,987	34,003	19,788	11,645	2,571
29	34,608	34,520	116,703	34,406	20,475	11,652	2,279
OCT. 6	34,644	34,542	116,913	34,230	20,021	11,668	2,541
13	34,035	33,988	116,191	33,829	19,847	11,649	2,334

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

CONFIDENTIAL (FR)
CLASS II - FOMC
OCTOBER 15, 1976

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

Period	Treasury Bills Net Change 2/	Treasury Coupons Net Purchases 3/					Federal Agencies Net Purchases 4/					Net Change Outright Holdings Total 5/	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
1975--Qtr. III	-757	13	712	201	171	1,096	64	514	106	63	747	1,060	2,392
Qtr. IV	1,294	74	385	234	315	1,006	58	141	71	14	284	2,626	-1,403
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
1976--Apr.	513	27	179	51	38	294	--	--	--	--	--	758	1,261
May	-292	--	--	--	--	--	3	140	57	40	240	-122	-958
June	1,845	83	617	195	96	990	--	--	--	--	--	2,735	1,351
July	-2,009	--	--	--	--	--	--	--	--	--	--	-2,040	-2,334
Aug.	1,100	42	301	72	65	480	--	--	--	--	--	1,484	2,093
Sept.	954	129	580	272	95	1,077	--	--	--	--	--	1,954	633
1976--Aug. 4	--	--	--	--	--	--	--	--	--	--	--	-13	2,499
11	135	--	--	--	--	--	--	--	--	--	--	115	-8,081
18	965	--	--	--	--	--	--	--	--	--	--	950	8,359
25	--	42	301	72	65	480	--	--	--	--	--	441	-1,510
Sept. 1	-171	--	--	--	--	--	--	--	--	--	--	-186	2,002
8	--	--	--	--	--	--	--	--	--	--	--	--	-5,731
15	--	--	--	--	--	--	--	--	--	--	--	-34	-3,133
22	372	39	340	188	54	621	--	--	--	--	--	973	6,565
29	549	--	--	--	--	--	--	--	--	--	--	535	4,670
Oct. 6	204	90	240	85	41	456	--	--	--	--	--	648	-13,110
13	255	--	--	--	--	--	--	--	--	--	--	255	10,061
20													
27													

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)

Period	U.S. Govt. Security Dealer Positions		Underwriting Syndicate Positions		Member Bank Reserve Positions				
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)	Excess** Reserves (5)	Borrowing at FRB**		Basic Reserve Deficit	
						Total (6)	Seasonal (7)	8 New York (8)	38 Others (9)
1975--High	7,029	2,845	464	389	804	609	74	-7,387	-11,632
Low	1,586	253	0	48	-42	17	5	-1,757	- 7,207
1976--High	*8,569	*2,117	334	249	655	242	34	7,075	-12,660
Low	3,668	175	0	34	-180	24	8	-2,367	- 6,908
1975--Sept.	5,008	588	31	122	191	397	58	-3,551	* 9,015
Oct.	5,766	1,480	14	123	161	189	65	-2,644	- 9,202
Nov.	4,751	2,073	156	173	251	60	29	-3,812	-10,159
Dec.	4,822	1,075	95	103	265	130	14	-2,811	-10,418
1976--Jan.	4,959	1,220	34	97	232	79	9	-3,581	- 9,746
Feb.	5,214	1,051	66	181	256	81	10	-4,138	-10,015
Mar.	5,910	778	43	151	223	54	8	-4,726	- 9,640
Apr.	5,750	605	69	133	155	43	10	-5,179	-10,782
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	247p	100p	31p	-4,624	- 9,691
Sept.	*7,838	*1,509	95	172	209p	69p	30p	-5,790p	- 9,511p
1976--Aug. 4	6,201	977	32	107	436	157	22	-3,598	- 8,908
11	6,103	2,060	110	101	-36	122	26	-5,170	-11,321
18	5,478	1,960	124	167	337	85	30	-4,575	-10,744
25	5,856	1,602	75	89	118	67	30	-4,469	- 8,941
Sept. 1	7,539	1,568	2	145	290	93	32	-5,165	- 8,016
8	7,932	1,705	73	107	273	45	30	-7,075	- 9,647
15	7,628	1,613	7	170	259	61	28	-5,965	-11,668
22	*8,569	*1,447	247	220	42	44	29	-4,498	-10,474
29	*7,520	*1,152	146	219	212p	88p	34p	-5,357	- 7,737
Oct. 6	*7,020	*1,896	16	205	414p	102p	34p	-6,769p	- 9,016p
13	*5,549	*2,117	50p	210p	206p	47p	33p	-8,037p	-11,417p
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)

Period	Short-Term						Long-Term					
	Federal Funds	Treasury Bills		90-119 Day Commercial	CD's New Issue-NYC		Aaa Utility		Municipal Bond Buyer	U.S. Govt. 20-Yr. Constant Maturity)	FNMA Auction Yield	GNMA Guaranteed Securities
		90-Day	1-Year	Paper	60-Day	90-Day	New Issue	Recently Offered				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1975--High	7.70	6.68	7.31	8.43	7.88	7.75	9.80	9.71	7.67	8.63	9.95	9.10
Low	5.13	5.02	5.46	5.38	5.25	5.38	8.89	9.06	6.27	7.63	8.78	7.93
1976--High	5.58	5.53	6.32	5.90	5.63	5.75	8.95	8.94	7.13	8.17	9.20	8.45
Low	4.70	4.73	5.18	5.00	4.75	4.88	8.16	8.20	6.25	7.64	8.80	7.96
1975--Sept.	6.24	6.42	7.20	6.79	6.44	6.81	9.68	9.57	7.44	8.57	9.78	8.97
Oct.	5.82	5.96	6.48	6.35	6.08	6.45	9.45	9.43	7.39	8.35	9.80	8.87
Nov.	5.22	5.48	6.07	5.78	5.69	6.03	9.20	9.26	7.43	8.28	9.80	8.50
Dec.	5.20	5.44	6.16	5.88	5.65	5.83	9.36	9.21	7.31	8.23	9.31	8.56
1976--Jan.	4.87	4.87	5.44	5.15	4.91	5.03	8.70	8.79	7.07	8.01	9.10	8.37
Feb.	4.77	4.88	5.53	5.13	4.84	5.06	8.63	8.63	6.94	8.03	9.06	8.29
Mar.	4.84	5.00	5.82	5.25	5.05	5.20	8.62	8.61	6.92	7.97	9.05	8.30
Apr.	4.82	4.86	5.54	5.08	4.81	4.94	8.48	8.52	6.60	7.86	8.89	8.10
May	5.29	5.20	5.98	5.44	5.25	5.38	8.82	8.77	6.87	8.13	9.09	8.33
June	5.48	5.41	6.12	5.83	5.55	5.68	8.72	8.73	6.87	8.03	9.13	8.35
July	5.31	5.23	5.82	5.54	5.30	5.42	8.63	8.63	6.79	8.00	9.05	8.37
Aug.	5.29	5.14	5.64	5.35	5.23	5.31	8.52	8.50	6.61	7.91	8.99	8.30
Sept.	5.25	5.08	5.50	5.33	5.11	5.24	8.29	8.33	6.51	7.78	8.88	8.10
1976--Aug. 4	5.36	5.15	5.74	5.38	5.20	5.30	8.60	8.60	6.65	7.99	--	8.37
11	5.25	5.18	5.67	5.38	5.25	5.35	8.49	8.49	6.60	7.93	9.01	8.37
18	5.29	5.15	5.63	5.38	5.25	5.30	--	8.46	6.60	7.89	--	8.27
25	5.28	5.13	5.63	5.35	5.20	5.30	8.47	8.44	6.58	7.86	8.97	8.25
Sept. 1	5.28	5.09	5.57	5.30	5.10	5.22	8.38	8.38	6.52	7.82	--	8.25
8	5.25	5.10	5.54	5.38	5.13	5.25	8.28	8.35	6.52	7.81	8.92	8.13
15	5.22	5.12	5.56	5.38	5.13	5.30	8.28	8.30	6.50	7.79	--	8.13
22	5.21	5.06	5.42	5.33	5.10	5.20	8.23	8.29	6.52	7.74	8.84	8.02
29	5.32	5.07	5.50	5.25	5.10	5.23	8.29	8.29	6.47	7.76	--	8.13
Oct. 6	5.17	5.07	5.39	5.25	5.10	5.20	8.26	8.23	6.33	7.69	8.80	8.06
13	5.02	4.94	5.18	5.19	4.88	5.00	8.16p	8.20p	6.25	7.64p	--	7.96
20												
27												
Daily--Oct. 7	5.12	5.03	5.26	5.25	--	--	--	--	--	7.69	--	--
14	4.96p	4.85	5.05	5.13	--	--	--	--	--	7.64(10/13)	--	--

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 and 10, the weekly date is the mid-point of the calendar week over which data are averaged. Columns 8 and 9 are 1-day quotes for Friday and Thursday, respectively, following the end of the statement week. Column 11 gives FNMA auction data for Monday preceding the end of the statement week. Column 12 is a 1-day quote for the 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

OCT. 15, 1976

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)											
ANNUALLY:												
1973	6.7	6.0	7.7	10.5	13.8	6.0	8.8	8.8	11.6	10.6	11.1	11.9
1974	7.1	9.2	9.2	10.2	9.2	4.7	7.2	6.8	10.6	9.0	8.9	8.9
1975	-0.4	1.3	5.8	3.9	4.4	4.1	8.5	11.3	6.4	9.7	10.0	9.7
SEMI-ANNUALLY:												
1ST HALF 1975	-1.2	1.7	5.6	4.5	4.2	5.6	9.8	11.9	6.9	9.9	9.5	9.4
2ND HALF 1975	0.3	0.9	5.7	3.1	4.5	2.6	6.8	10.1	5.7	9.2	10.0	9.5
1ST HALF 1976	-1.2	-1.2	6.7	3.1	4.9	5.6	10.8	12.1	6.3	9.2	8.6	8.8
QUARTERLY:												
4TH QTR. 1975	1.4	4.5	7.3	7.0	4.6	1.6	7.0	9.3	8.4	10.0	11.3	11.3
1ST QTR. 1976	-6.2	-5.3	4.6	1.2	5.5	4.3	11.5	12.6	5.0	8.4	7.7	7.7
2ND QTR. 1976	3.9	3.1	8.8	4.9	4.3	6.8	9.9	11.3	7.6	9.8	9.3	9.8
3RD QTR. 1976	0.3	1.1	5.4	0.8	7.0	4.1	10.9	13.5	5.7	10.0	9.2	9.1
QUARTERLY-AV:												
4TH QTR. 1975	0.6	2.7	5.6	6.0	6.0	2.3	6.4	9.4	6.7	9.4	9.9	9.6
1ST QTR. 1976	-3.8	-3.2	5.3	2.3	3.8	2.6	10.1	11.4	5.7	8.6	8.7	8.7
2ND QTR. 1976	0.8	0.5	8.5	2.4	5.4	8.4	11.3	12.4	7.1	9.6	9.0	9.3
3RD QTR. 1976	3.0	3.0	6.0	3.7	5.9	4.1	9.8	12.0	6.4	9.8	9.0	9.2
MONTHLY:												
1976--SEPT.	3.9	-2.6	2.8	5.2	5.7	1.6	4.2	8.5	4.3	8.2	6.5	5.7
OCT.	-6.3	0.8	3.6	5.9	6.4	-0.8	5.3	8.7	7.9	9.9	10.3	10.1
NOV.	9.7	14.3	11.1	14.4	9.8	9.0	11.5	11.9	11.7	12.1	14.3	14.3
DEC.	0.8	-1.6	7.0	0.7	-2.3	-3.2	4.0	7.1	5.3	7.7	8.9	9.1
1976--JAN.	-10.2	-8.4	2.6	-0.7	3.5	1.2	10.7	11.9	3.5	7.2	7.1	7.1
FEB.	-6.8	-6.9	4.0	3.5	5.9	5.7	14.9	14.7	7.0	9.8	8.2	8.0
MAR.	-1.7	-0.8	7.0	0.9	6.9	6.1	8.7	11.0	4.3	7.9	7.7	7.8
APR.	0.7	1.1	12.2	3.0	5.4	14.9	14.9	14.7	10.9	12.2	11.2	11.4
MAY	4.0	1.5	7.0	-4.6	5.4	6.4	9.2	10.8	3.1	6.9	6.6	7.2
JUNE	7.0	6.6	6.9	16.3	2.1	-0.8	5.3	8.0	8.6	9.9	9.9	10.4
JULY	1.8	1.6	5.2	3.0	6.9	6.7	12.5	13.3	9.8	11.5	10.4	10.4
AUG.	4.8	6.0	6.5	-2.5	8.2	5.9	9.8	13.2	0.8	7.3	6.0	6.0
SEPT. P	-5.6	-4.3	4.5	1.8	5.9	-0.4	10.1	13.5	6.3	11.0	10.9	10.8

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

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

P - PRELIMINARY

APPENDIX TABLE 1-B
MONEY AND CREDIT AGGREGATE MEASURES

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

OCT. 15, 1976

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
ANNUALLY:												
1973	32,390	31,092	96,051	449.4	637.7	270.5	571.4	919.5	634.9	982.9	1093.7	1132.0
1974	34,693	33,966	104,892	495.3	695.2	283.1	612.4	981.6	702.2	1071.4	1191.0	1232.7
1975	34,539	34,409	110,930	514.4	725.5	294.8	664.3	1092.9	747.2	1175.8	1310.3	1351.9
MONTHLY:												
1975--SEPT.	34,421	34,024	108,949	505.5	717.2	293.6	652.9	1068.1	731.9	1147.1	1274.4	1314.8
OCT.	34,239	34,048	109,279	508.0	721.0	293.4	655.8	1075.8	736.7	1156.6	1285.3	1325.9
NOV.	34,515	34,455	110,287	514.1	726.9	295.6	662.1	1086.5	743.9	1168.3	1300.6	1341.7
DEC.	34,539	34,409	110,930	514.4	725.5	294.8	664.3	1092.9	747.2	1175.8	1310.3	1351.9
1976--JAN.	34,245	34,167	111,171	514.1	727.6	295.1	670.2	1103.7	749.4	1182.9	1318.0	1359.9
FEB.	34,052	33,971	111,538	515.6	731.2	296.5	678.5	1117.2	753.8	1192.6	1327.0	1369.0
MAR.	34,003	33,949	112,192	516.0	735.4	298.0	683.4	1127.4	756.5	1200.5	1335.5	1377.9
APR.	34,024	33,980	113,333	517.3	738.7	301.7	691.9	1141.2	763.4	1212.7	1348.0	1391.0
MAY	34,136	34,022	113,994	515.3	742.0	303.3	697.2	1151.5	765.4	1219.7	1355.4	1399.4
JUNE	34,335	34,209	114,653	522.3	743.3	303.1	700.3	1159.2	770.9	1229.8	1366.6	1411.5
JULY	34,387	34,254	115,150	523.6	747.6	304.8	707.6	1172.0	777.2	1241.6	1378.4	1423.7
AUG.	34,524	34,424	115,769	522.5	752.7	306.3	713.4	1184.9	777.7	1249.2	1385.3	1430.8
SEPT. P	34,364	34,302	116,202	523.3	756.4	306.2	719.4	1198.2	781.8	1260.6	1397.9	1443.7
WEEKLY:												
1976--AUG. 11	34,226	34,104	115,397	522.8		306.3	712.0		777.4			
18	34,725	34,640	115,966	523.0		307.3	714.1		778.5			
25	34,355	34,287	115,764	521.9		306.4	714.7		778.2			
SEPT. 1	34,505	34,412	115,817	522.6		305.9	715.6		778.5			
8	34,278	34,233	115,785	521.5		304.3	715.6		778.0			
15	34,467	34,406	116,288	524.1		308.9	721.7		783.7			
22	34,045	34,001	115,987	524.6		305.8	719.9		782.1			
29P	34,608	34,520	116,703	522.6		304.6	719.7		782.6			
OCT. 6P	34,644	34,542	116,913	528.6		308.8	725.7		788.4			

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

^{1/} 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
(Per cent annual rates of growth)												
ANNUALLY:												
1973	8.1	5.3	16.2	11.4	2.8	18.7	45.6	8.5	13.8	4.9	31.3	39.3
1974	10.2	3.0	15.0	9.4	7.0	11.2	41.4	5.6	12.1	4.8	11.9	9.1
1975	8.7	2.6	7.9	12.2	17.8	8.2	-7.7	15.8	20.2	6.2	19.5	-0.5
SEMI-ANNUALLY:												
1ST HALF 1975	9.4	4.4	7.6	13.4	18.2	10.0	-12.7	15.2	20.9	5.7	6.7	5.7
2ND HALF 1975	7.6	0.9	7.8	10.4	16.0	6.1	-2.9	15.2	17.6	6.5	31.3	-6.5
1ST HALF 1976	10.6	4.1	6.9	15.0	23.6	8.5	-29.7	14.0	16.8	6.3	0.3	15.4
QUARTERLY:												
4TH QTR. 1975	9.4	-1.1	12.9	11.6	15.6	8.2	19.2	12.5	17.6	6.0	41.3	11.9
1ST QTR. 1976	10.9	2.4	5.4	17.1	32.4	5.6	-47.3	14.3	16.8	6.5	-3.6	7.7
2ND QTR. 1976	10.0	5.8	8.2	12.4	13.6	11.3	-13.7	13.2	16.1	5.9	4.2	23.6
3RD QTR. 1976	8.2	2.7	6.6	16.0	19.0	13.8	-46.5	17.4	15.5	11.5	-8.3	8.0
QUARTERLY-AV:												
4TH QTR. 1975	8.4	0.2	9.7	9.8	14.4	6.6	9.5	14.0	16.5	6.1	23.5	-1.0
1ST QTR. 1976	9.8	0.4	7.8	15.9	28.3	6.7	-29.3	13.4	17.1	6.6	12.3	9.7
2ND QTR. 1976	11.7	7.2	6.3	13.7	21.7	7.0	-30.6	13.8	16.4	5.9	0.0	17.1
3RD QTR. 1976	7.8	2.8	8.0	14.1	13.4	14.9	-26.2	15.3	15.7	9.3	-4.8	15.5
MONTHLY:												
1975- SEPT.	1.7	1.6	5.8	6.0	13.4	0.6	4.6	14.9	15.2	5.5	-23.2	-20.4
OCT.	10.0	-4.3	13.7	10.7	11.7	10.0	27.3	13.5	18.8	7.3	21.6	3.0
NOV.	13.2	7.1	13.5	13.6	14.6	12.8	13.4	12.4	14.8	5.4	63.8	17.8
DEC.	4.9	-5.9	11.0	10.1	20.5	1.7	16.1	11.3	18.3	5.4	34.9	14.6
1976- JAN.	8.1	-1.1	5.3	18.2	26.9	12.1	-53.6	13.4	18.0	7.1	3.6	8.7
FEB.	14.6	3.8	7.7	21.4	44.6	4.0	-57.6	14.7	10.7	7.1	-19.6	5.7
MAR.	9.6	4.3	3.1	11.0	23.3	0.6	-36.6	14.2	21.1	5.3	5.4	8.6
APR.	15.9	14.6	8.4	14.9	22.1	9.6	-27.9	14.1	13.8	5.3	0.0	17.0
MAY	11.0	5.3	1.0	11.4	18.3	5.1	-53.8	13.3	13.7	7.0	0.0	25.1
JUNE	3.1	-2.7	15.1	10.4	0.0	19.0	42.2	11.7	20.3	5.2	12.6	27.3
JULY	9.3	5.9	11.5	16.6	11.4	20.9	-17.0	14.2	10.0	10.4	-8.9	13.4
AUG.	6.1	5.3	-2.3	12.8	21.9	6.0	-89.7	18.8	19.8	12.0	-25.1	2.6
SEPT. P	9.2	-3.2	10.4	18.0	22.8	14.0	-37.3	18.5	16.2	11.9	9.2	7.9

^{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.

OCT. 15, 1976

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/}	Commerical 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
ANNUAL Y:														
1973	61.5	209.0	364.4	300.9	127.3	173.6	63.5	323.5	24.7	60.4	50.3	38.3	6.6	7.3
1974	67.8	215.3	419.1	329.3	136.2	193.1	89.8	341.6	27.7	63.3	56.3	41.8	8.4	5.0
1975	73.7	221.0	452.4	369.6	160.5	209.0	82.9	395.5	33.3	67.2	67.3	41.6	8.4	7.6
MONTHLY:														
1975--SEPT.	72.0	221.6	438.3	359.2	154.4	204.8	79.1	383.5	31.9	66.2	61.0	40.4	7.0	6.5
OCT.	72.6	220.8	443.3	362.4	155.9	206.5	80.9	387.8	32.4	66.6	62.1	40.5	7.5	8.6
NOV.	73.4	222.1	448.3	366.5	157.8	208.7	81.8	391.8	32.8	66.9	65.4	41.1	8.2	9.6
DEC.	73.7	221.0	452.4	369.6	160.5	209.0	82.9	395.5	33.3	67.2	67.3	41.6	8.4	7.6
1976--JAN.	74.2	220.8	454.4	375.2	164.1	211.1	79.2	399.9	33.8	67.6	67.5	41.9	7.9	8.0
FEB.	75.1	221.5	457.3	381.9	170.2	211.8	75.4	404.8	34.1	68.0	66.4	42.1	8.0	10.9
MAR.	75.7	222.3	458.5	385.4	173.5	211.9	73.1	409.6	34.7	68.3	66.7	42.4	8.2	10.9
APR.	76.7	225.0	461.7	390.2	176.7	213.6	71.4	414.4	35.1	68.6	66.7	43.0	7.5	7.2
MAY	77.4	226.0	462.1	393.9	179.4	214.5	68.2	419.0	35.5	69.0	66.7	43.9	7.6	7.4
JUNE	77.6	225.5	467.9	397.3	179.4	217.9	70.6	423.1	36.1	69.3	67.4	44.9	8.4	9.8
JULY	78.2	226.6	472.4	402.8	181.1	221.7	69.6	428.1	36.4	69.9	66.9	45.4	8.8	9.0
AUG.	78.6	227.6	471.5	407.1	184.4	222.8	64.4	434.8	37.0	70.6	65.5	45.5	8.9	13.8
SEPT. P	79.2	227.0	475.6	413.2	187.9	225.4	62.4	441.5	37.5	71.3	66.0	45.8	8.2	13.0
WEEKLY:														
1976--AUG. 11	78.7	227.6	471.1	405.7	183.6	222.1	65.4						8.7	11.4
18	78.6	228.6	471.2	406.9	184.2	222.6	64.4						9.2	12.7
25	78.7	227.7	471.8	408.3	185.0	223.3	63.5						9.3	16.5
SEPT. 1	78.6	227.4	472.5	409.7	185.9	223.8	62.8						8.6	15.9
8	79.1	225.2	473.7	411.3	186.8	224.5	62.4						7.9	16.0
15	79.1	229.8	474.8	412.8	187.5	225.2	62.0						7.7	10.0
22	79.3	226.6	476.3	414.1	188.2	225.9	62.2						8.7	12.7
29P	79.3	225.4	477.8	415.0	189.1	225.9	62.9						8.4	12.5
OCT. 6P	79.8	229.0	479.6	416.9	190.8	226.1	62.7						8.4	13.1

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