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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

June 17, 1977

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M-1 increased at a 1.1 per cent annual rate in May following April's record rise, and over the May-June period it appears to be growing at around a 1½ per cent annual rate, slightly below the mid-point of the Committee's desired range. M-2 appears to be increasing at nearly a 6 per cent annual rate in May-June, a little above the mid-point of the Committee's range. Nonborrowed reserves apparently will decline on balance over May-June--with a small June increase not quite offsetting a May decline--primarily because of a flattening of growth in demand deposits and an increase in member bank borrowing since mid-April.

Growth in Monetary Aggregates
over May-June period 1/

(SAAR in per cent)

	<u>Ranges</u>	<u>Latest Estimates</u>
M-1	0 to 4	1.7
M-2	3½ to 7½	5.9

Memorandum:

Federal funds rate
(per cent per annum)

<u>Avg. for statement week ending</u>	
May 18	5.34
25	5.45
June 1	5.36
8	5.31
15	5.37

1/ These figures do not incorporate the regular quarterly benchmark revisions of monetary aggregates that will be published on Thursday, June 23. The revisions (based on the December Call Report) are generally quite small. The level of M-1 was lowered somewhat by these revisions, while the level of M-2 was raised slightly. Quarterly growth rates for M-1 for the last quarter of 1976 and the first quarter of 1977 were lowered about ½ of a percentage point. M-2 growth was raised by about the same amount. 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 IV.

(2) In accordance with the Committee's directive, following the May meeting the Account Management aimed at a Federal funds rate of about 5-3/8 per cent. Subsequently, with incoming data suggesting that growth rates in the monetary aggregates would be within the Committee's desired ranges, the Desk has continued to seek a funds rate around that level.

(3) Short-term market interest rates generally increased about 10 to 15 basis points in the latter part of May, but subsequently they declined and are now little different from their levels at the time of

the May meeting. The recent tendency for such rates to decline appears to be attributable in part to the steadiness of the Federal funds rate and to the slowing of growth in the aggregates. Short-term credit demands also have eased somewhat in recent weeks. The Treasury has continued to redeem bills in its regular weekly and monthly auctions, and short-term borrowing by State and local governments has dropped back to relatively moderate levels following a bulge in April. In addition, business demands for short-term funds at banks and in the commercial paper market moderated in May, after showing exceptional strength in April. Most major banks recently raised the prime rate in two steps from $6\frac{1}{4}$ to $6\frac{3}{4}$ per cent, although most recently one large bank posted a $6\frac{1}{2}$ per cent prime rate. Even with the prime rate at $6\frac{3}{4}$ per cent, the spread over the cost of open market funds has narrowed by about $\frac{1}{4}$ of a percentage point since the previous prime rate adjustment in mid-December.

(4) Most long-term yields have declined about 10 to 20 basis points since the time of the last FOMC meeting, in part because short-term rates did not rise in the manner expected by many market participants. These yield declines also reflected reduced offerings of long-term Treasury and corporate debt and strong institutional demands for municipal securities. Yields on primary mortgages, on the other hand, have changed little.

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

	1975 & 1976 Average	Past Twelve Months May '77 over May '76	Past Six Months May '77 over Nov. '76	Past Three Months May '77 over Feb. '77	Past Month May '77 over Apr. '77
Nonborrowed reserves	1.4	2.9	1.6	2.2	-3.0
Total reserves	0.4	3.2	2.3	3.8	1.6
Monetary Base	6.5	6.9	6.9	7.7	6.3
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	5.2	5.7	6.6	8.5	0.7
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	10.4	10.3	9.6	9.0	4.7
M ₃ (M ₂ plus deposits at thrift institutions)	13.0	12.1	10.7	9.7	7.0
M ₄ (M ₂ plus CD's)	7.3	8.6	8.9	7.8	5.4
M ₅ (M ₃ plus CD's)	10.7	10.9	10.2	8.9	7.3
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	4.5	5.8	4.3	4.4	-1.3
Loans and investments of commercial banks <u>2/</u>	6.7	10.0	10.4	11.5	10.3
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-1.1	-0.5	0.0	-0.3	0.7
Nonbank commercial paper	0.0	0.2	0.4	0.4	0.3

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) Summarized below for Committee consideration are alternative short-run operating specifications for the monetary aggregates and the Federal funds rate. (Detailed data are shown in the tables on pp. 6 and 7.)

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for June-July			
M-1	3½ to 7½	3 to 7	2½ to 6½
M-2	6½ to 10½	6 to 10	5½ to 9½
Federal funds rate (Intermeeting period)	4½ to 5½	5 to 5½	5½ to 6½

(7) Assuming the Federal funds rate remains around the 5-3/8 per cent mid-point of the alternative B range, the staff expects M-1 growth in the June-July period to strengthen to an annual rate in the range of 3 to 7 per cent. Available weekly data suggest that M-1 growth will remain relatively slow in June. By July, however, most of the adjustment to the April bulge should have already occurred, and M-1 is expected to grow more rapidly in response to the projected expansion in GNP and the associated increases in transactions demands for money. The July expansion in M-1 is likely to be buoyed further by an earlier-

Alternative Levels and Growth Rates for Key Monetary Aggregates

		<u>M₁</u>			<u>M₂</u>			<u>M₃</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	May	320.7	320.7	320.7	767.6	767.6	767.6	1288.7	1288.7	1288.7
	June	321.2	321.2	321.2	772.3	772.3	772.3	1298.2	1298.2	1298.2
	July	323.6	323.4	323.2	778.6	778.1	777.5	1309.5	1308.5	1307.5
1977	QI	314.4	314.4	314.4	751.0	751.0	751.0	1258.4	1258.4	1258.4
	QII	320.8	320.8	320.8	768.2	768.2	768.2	1289.4	1289.4	1289.4
	QIII	325.2	324.7	324.3	784.1	782.8	781.5	1319.8	1317.4	1315.2
	QIV	329.0	328.4	328.0	797.9	796.3	794.5	1345.4	1342.4	1339.6
1978	QI	331.7	331.7	331.7	809.7	809.3	808.3	1367.8	1366.5	1364.7
<u>Growth Rates</u>										
Monthly:										
1977	June	1.9	1.9	1.9	7.3	7.3	7.3	8.8	8.8	8.8
	July	9.0	8.2	7.5	9.8	9.0	8.1	10.4	9.5	8.6
Quarterly Average:										
1977	QI	4.2	4.2	4.2	9.9	9.9	9.9	11.3	11.3	11.3
	QII	8.1	8.1	8.1	9.2	9.2	9.2	9.9	9.9	9.9
	QIII	5.5	4.9	4.4	8.3	7.6	6.9	9.4	8.7	8.0
	QIV	4.7	4.6	4.6	7.0	6.9	6.7	7.8	7.6	7.4
1978	QI	3.3	4.0	4.5	5.9	6.5	6.9	6.7	7.2	7.5
<u>Semi-annual</u>										
	QI '77-QIII '77	6.9	6.6	6.3	8.8	8.5	8.1	9.8	9.4	9.0
	QIII '77-QI '78	4.0	4.3	4.6	6.5	6.8	6.9	7.3	7.5	7.5
<u>Annual</u>										
	QI '77-QI '78	5.5	5.5	5.5	7.8	7.8	7.6	8.7	8.6	8.4
<u>FOMC longer-run range</u>										
	QI '77-QI '78	4½-6½			7-9½			8½-11		

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

		<u>M₄</u>			<u>M₅</u>			<u>Credit Proxy</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	May	829.9	829.9	829.9	1351.0	1351.0	1351.0	545.5	545.5	545.5
	June	836.0	836.0	836.0	1361.9	1361.9	1361.9	550.6	550.6	550.6
	July	842.5	842.2	841.7	1373.3	1372.6	1371.7	553.8	553.6	553.4
1977	QI	813.8	813.8	813.8	1321.3	1321.3	1321.3	541.1	541.1	541.1
	QII	830.7	830.7	830.7	1351.9	1351.9	1351.9	547.4	547.4	547.4
	QIII	848.7	847.7	846.6	1384.3	1382.3	1380.4	557.5	556.9	556.3
	QIV	867.1	865.9	864.8	1414.8	1412.0	1409.8	569.5	568.7	568.1
1978	QI	887.2	886.8	886.1	1445.2	1444.0	1442.5	587.6	587.3	587.0
<u>Growth Rates</u>										
Monthly:										
1977	June	8.8	8.8	8.8	9.7	9.7	9.7	11.2	11.2	11.2
	July	9.3	8.9	8.2	10.0	9.4	8.6	7.0	6.5	6.1
Quarterly Averages:										
1977	QI	9.3	9.3	9.3	10.9	10.9	10.9	5.4	5.4	5.4
	QII	8.3	8.3	8.3	9.3	9.3	9.3	4.7	4.7	4.7
	QIII	8.7	8.2	7.7	9.6	9.0	8.4	7.4	6.9	6.5
	QIV	8.7	8.6	8.6	8.8	8.6	8.5	8.6	8.5	8.5
1978	QI	9.3	9.7	9.9	8.6	9.1	9.3	12.7	13.1	13.3
<u>Semi-annual</u>										
	QI '77-QIII '77	8.6	8.3	8.1	9.5	9.2	8.9	6.1	5.8	5.6
	QIII '77-QI '78	9.1	9.2	9.3	8.8	8.9	9.0	10.8	10.9	11.0
<u>Annual</u>										
	QI '77-QI '78	9.0	9.0	8.9	9.4	9.3	9.2	8.6	8.5	8.5

than-usual distribution of social security checks, leading to more than normal amounts of funds held in demand deposit accounts over the long holiday weekend.^{1/}

(8) Under alternative B growth in M-2 over June-July would be expected to pick up somewhat, due mainly to the anticipated strengthening in M-1. However, growth in the time and savings deposit component of M-2 also should recover somewhat from the reduced pace of recent months. The stimulative effects on time and savings deposit inflows of a continued rise in personal income and advances in offering rates at some banks are expected to be about counterbalanced by the delayed impact of earlier increases in short-term market rates.

(9) Over the next few weeks aggregate demands on credit markets may change little. Households probably will continue borrowing substantial amounts in the residential mortgage and consumer credit markets, and business demands for short-term credit may strengthen from May's temporarily reduced pace. However, offerings of long-term bonds by businesses are expected to remain light into the summer, and offerings by State and local governments are likely to decline somewhat.

^{1/} Since the usual distribution date for social security checks (the third of the month) falls on a Sunday in July, the checks will be delivered on the preceding Friday. In October 1976 and April 1977, the two previous occasions when checks were delivered early, the money stock bulged in the first week of the month and remained relatively high throughout the first half of the month. The staff projection of July M-1 growth reflects an assumption that this pattern will reoccur. If this assumption were not made, the projected M-1 growth rate would be reduced by about 2½ percentage points in July and about 1½ percentage points in the 2-month June-July period.

Furthermore, the Treasury may continue redeeming bills on into July. Although it is widely expected that the Treasury will market about \$1.5 billion of 15-year bonds in the last week of June, it appears that this will be the only new money it will raise in the coupon market until early August.

(10) Given this background, and assuming that Federal funds continue to trade at around 5-3/8 per cent as contemplated under alternative B, it seems probable that short-term rates will remain close to current levels in the near term. However, there might well be some backup in long-term rates in the aftermath of the recent rally that carried corporate and municipal yields to around their lowest levels in several years.

(11) Over the longer run, interest rates, particularly in short-term markets, are likely to come under upward pressure. The Treasury's need for new money will be expanding substantially. Business demands for funds may strengthen in the latter part of the summer and in the autumn as rising expenditures on plant and equipment and inventories outpace growth in internal sources of funds. Also, credit demands of households and State and local governments are likely to remain strong.

(12) The staff projections suggest that under alternative B the Federal funds rate would have to advance to an average of about 6½ per cent in the first quarter of next year if M-1 growth in the QI '77-QI '78 period is to be held near the mid-point of the Committee's 4½-6½ per cent range. This funds rate level is somewhat lower than that

shown in the last blue book, reflecting both the slower second-quarter growth of the aggregates than projected then and the slightly slower growth of nominal GNP now expected in late 1977 and early 1978. Inflows of interest-bearing deposits are still expected to slow sufficiently to keep growth in M-2 and M-3 in the lower part of their respective one-year ranges.

(13) The alternative C specifications involve an increase of the funds rate over the next few weeks to the mid-point of a $5\frac{1}{2}$ - $6\frac{1}{2}$ per cent range. This may be accompanied by growth in M-1 in the June-July period at an annual rate in a range of $2\frac{1}{2}$ to $6\frac{1}{2}$ per cent. Money market firming of the degree contemplated under this alternative probably would produce a prompt, appreciable rise in short-term interest rates and some increase in bond yields. The rise in short-term market rates probably would induce more depository institutions to raise offering rates on savings and time deposits to ceiling levels. Short-term rates might rise far enough to trigger sizable outflows of savings funds to market instruments and to induce banks to bid aggressively for negotiable CD's and for the types of large-denomination time deposits included in M-2. If ceiling rates are unattractive relative to market rates, beginning in July

some institutions may experience substantial withdrawals in connection with heavy maturities of "wild card" accounts.^{1/}

(14) The immediate tightening of the money market under alternative C would tend to lessen the degree of restraint that would be needed later to achieve growth in M-1 over the QI '77-QI '78 period near the mid-point of the Committee's one-year range. The funds rate under this alternative would be expected to reach 6½ per cent in the fourth quarter of this year and to remain around that level in early 1978. Because short-term market interest rates also would be expected to be lower than under alternative B or A, banks and thrift institutions should be able to maintain stronger inflows of interest-bearing deposits at that time. Although growth in M-2 and M-3 would consequently be stronger in late 1977 and early 1978 than under the other alternatives, even under alternative C the growth rates projected for M-2 and M-3 over the year ending QI '78 are in the lower part of their respective ranges.

(15) An easing of the Federal funds rate over the near term to the mid-point of a 4½ to 5½ per cent range--as called for under alternative A--and the associated decline in short-term rates might well be accompanied, at least temporarily, by significant declines in

^{1/} From July to October 1973 interest ceilings were removed on time deposits with minimum denominations of \$1,000 and maturities of at least four years. Commercial banks accumulated about \$9 billion, and thrift institutions \$18 billion, in such "wild card" accounts. About one-third of these deposits at commercial banks are estimated to have been issued at rates above now-prevailing ceilings on four-year accounts. Although information concerning thrifts is much less complete, it is estimated that about the same proportion of their "wild card" certificates were issued at rates above current ceilings on four-year accounts.

long-term rates. At present dealer positions in Treasury coupon issues are relatively low and forward calendars for long-term Treasury and corporate debt are quite light. In order to achieve growth rates in M-1 at the mid-point of the Committee's one-year range, however, the Federal funds rate would have to begin to rise relatively soon and to reach a level above those envisioned under alternatives B and C. Thus, under alternative A, the Federal funds rate would be expected to average around $7\frac{1}{2}$ per cent in the first quarter of 1978.

Directive language

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

"Monetary Aggregates" Formulation

The Committee seeks to encourage near-term rates of growth in M-1 and M-2 on a path believed to be reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, at present, it expects the annual growth rates over the ~~May-June~~ JUNE-JULY period to be within the ranges of ~~0-to-4~~ _____ to _____ per cent for M-1 and ~~3½-to-7½~~ _____ to _____ per cent for M-2. In the judgment of the Committee such growth rates are likely to be associated with a weekly average Federal funds rate of ~~5-3/8~~ _____ per cent. If, giving approximately equal weight to M-1 and M-2, it appears that growth rates over the

2-month period will deviate significantly from the mid-points of the indicated ranges, the operational objective for the Federal funds rate shall be modified in an orderly fashion within a range of ~~5½-5¾~~ _____ to _____ per cent.

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

"Money Market" Formulation

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

indicated ranges, the operational objective for the weekly average Federal funds rate shall be modified in an orderly fashion within a range of _____ to _____ per cent.

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

Appendix I

Expansion in Reserves Over the Period
From QI '77 to QIII '77 Consistent With
Proposed Alternatives
(seasonally adjusted, per cent annual rate)

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Nonborrowed Reserves	3.6	2.7	1.6
Total Reserves	4.8	4.5	4.3
Monetary Base	7.7	7.6	7.5

From the first to the second quarter the reserve aggregate measures shown above are estimated to have grown at the following annual rates: nonborrowed reserves, 1.9 per cent; total reserves, 2.9 per cent; and the monetary base, 7.2 per cent. These growth rates are generally below the longer-run rates shown in the table above. Growth in reserve aggregates is projected to accelerate from the second to the third quarter, as member bank deposits--including CD's--expand more rapidly. The growth rate in nonborrowed reserves would still be quite moderate, however, as the System provides less reserves through open market operations and banks borrow more through the discount window. Demand for borrowings is expected to be greater in the July-September period, given the present discount rate and expectations of a rising Federal funds rate. Growth in the monetary base in the third quarter is projected at a rate slightly above the longer-run growth rates shown for this aggregate.

Appendix II

Projected Federal Funds Rate

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	QII	5	5-1/8	5½
	QIII	5½	5¾	6
	QIV	6¾	6½	6½
1978	QI	7½	6¾	6½

Appendix III

Implied Velocity Growth Rates

<u>V_1 (GNP/M_1)</u>		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	II	5.3	5.3	5.3
	III	6.3	6.9	7.4
	IV	6.9	7.1	7.1
1978	I	8.1	7.3	6.8
<u>V_2 (GNP/M_2)</u>				
1977	II	4.2	4.2	4.2
	III	3.5	4.1	4.8
	IV	4.6	4.8	5.1
1978	I	5.5	4.9	4.4

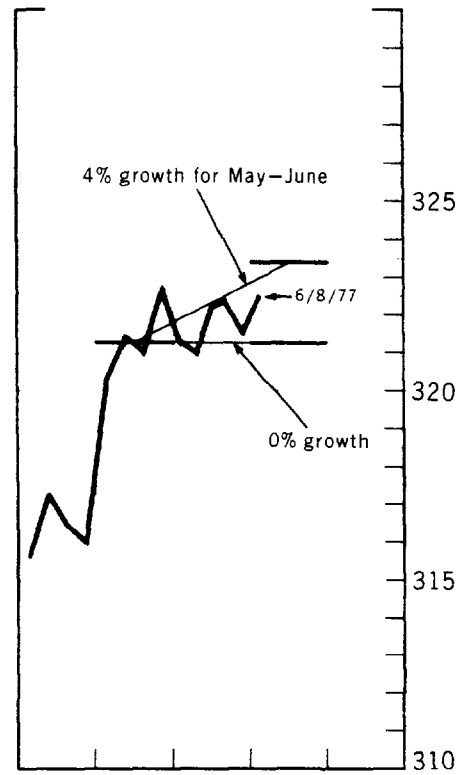
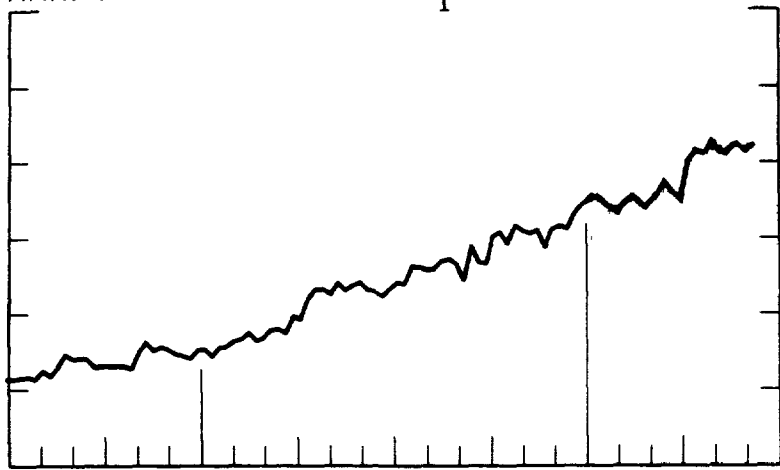
Appendix IV
 SUPPLEMENTAL TABLE 1
 COMPARISONS OF OLD AND REVISED MONEY STOCK GROWTH RATES

	<u>M₁</u>		<u>M₂</u>		<u>M₃</u>	
	<u>Old</u>	<u>Revised</u>	<u>Old</u>	<u>Revised</u>	<u>Old</u>	<u>Revised</u>
<u>Yearly</u>						
1976--Dec/Dec	6.1	6.0	11.3	11.4	13.1	13.2
1976--QIV/QIV	5.7	5.6	10.8	10.9	12.7	12.8
<u>Quarterly: End Month of Quarter Basis</u>						
1976--QIV	7.7	7.2	12.8	13.4	14.1	14.5
1977--QI	4.2	3.8	8.1	8.5	9.7	10.0
<u>Quarterly Average Basis</u>						
1976--QIV	6.7	6.4	12.2	12.5	14.2	14.4
1977--QI	4.8	4.2	9.4	9.9	11.0	11.3
<u>Monthly</u>						
1976--October	14.1	13.7	15.7	16.1	16.7	16.9
November	0.4	0.0	9.9	10.6	12.2	12.6
December	8.5	7.7	12.5	13.1	13.1	13.4
1977--January	5.8	5.4	9.3	9.7	11.2	11.4
February	0.8	0.8	6.6	7.1	8.7	8.9
March	6.1	5.3	8.2	8.6	9.2	9.4
April	19.7	19.4	13.0	13.5	12.1	12.4
May	1.1	0.7	4.6	4.7	6.9	7.1

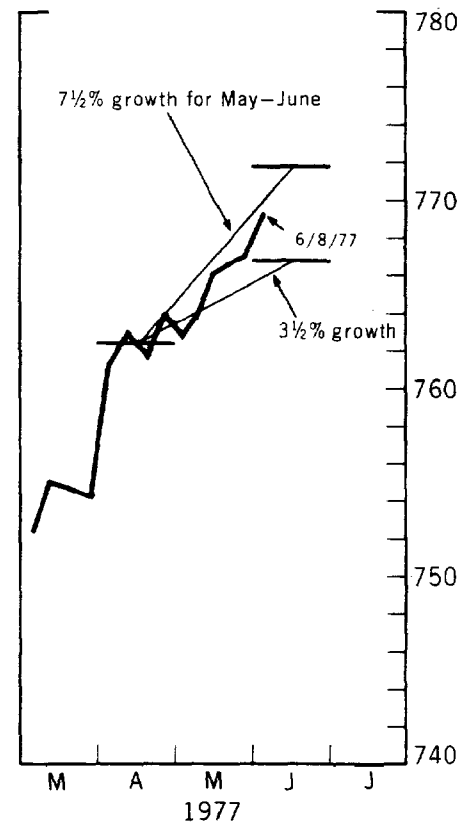
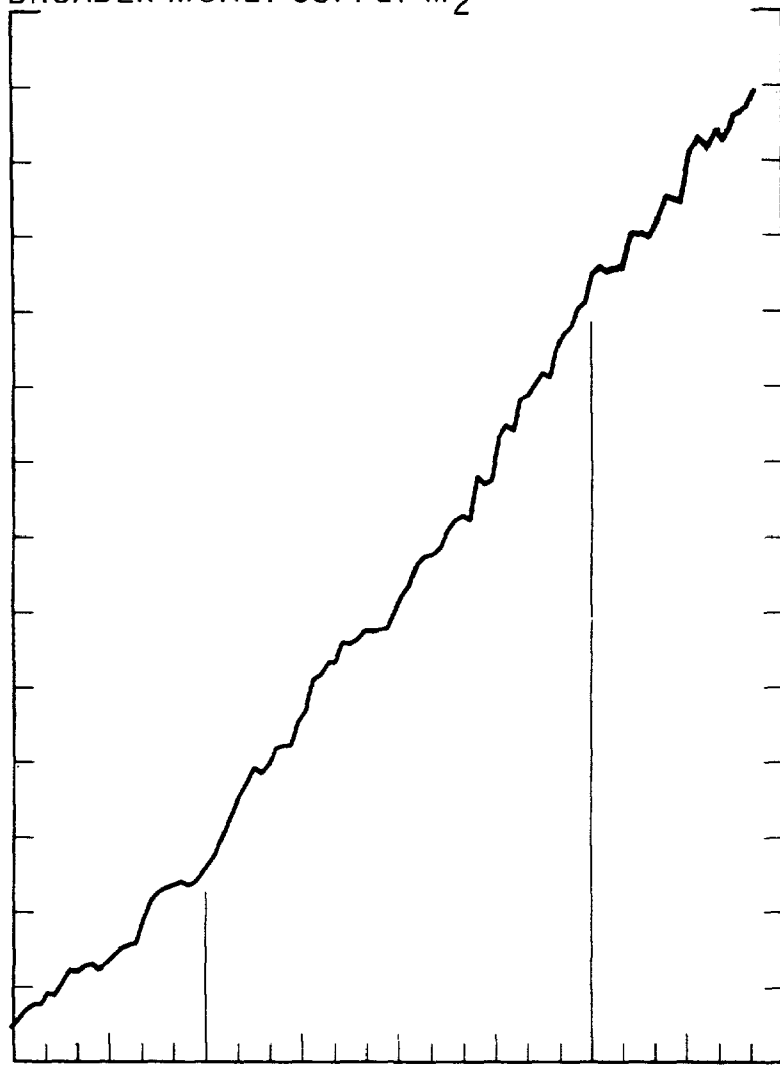
MONETARY AGGREGATES

NARROW MONEY SUPPLY M_1

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY M_2



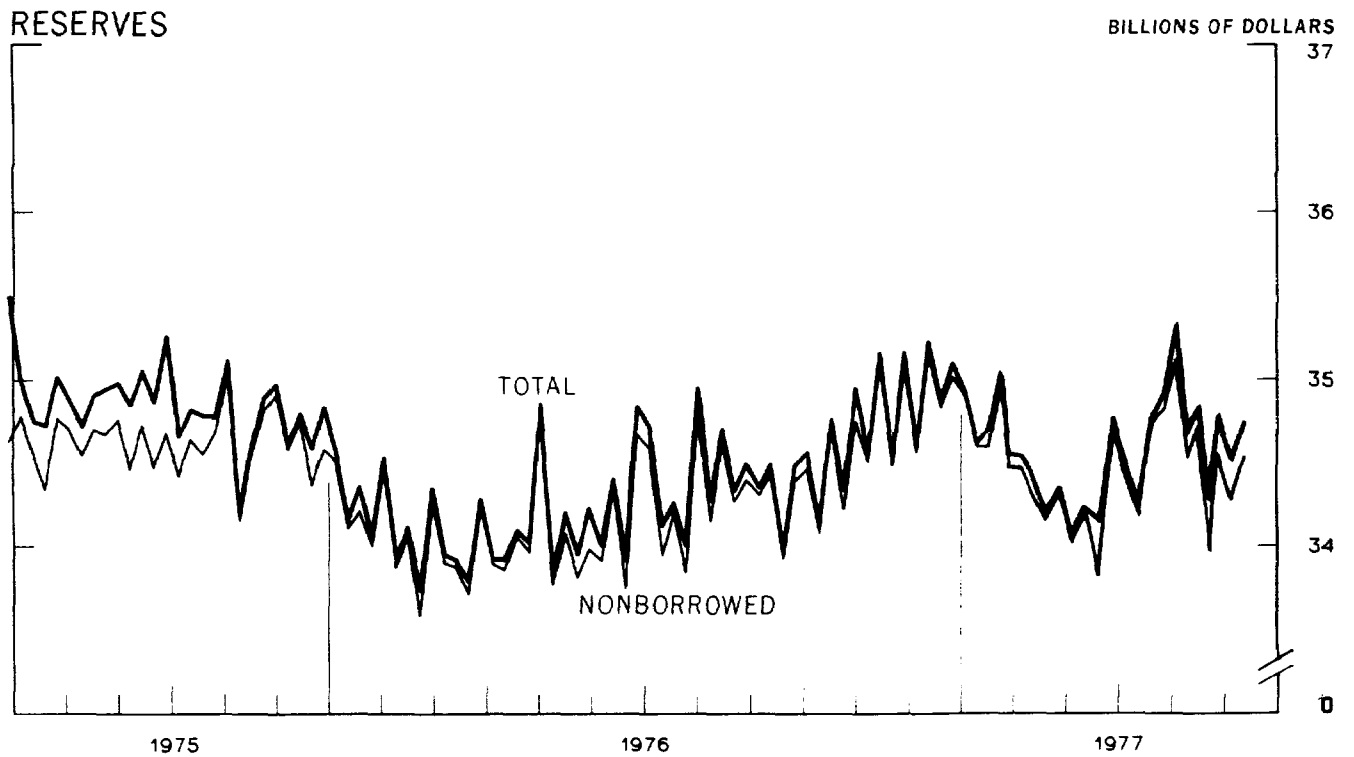
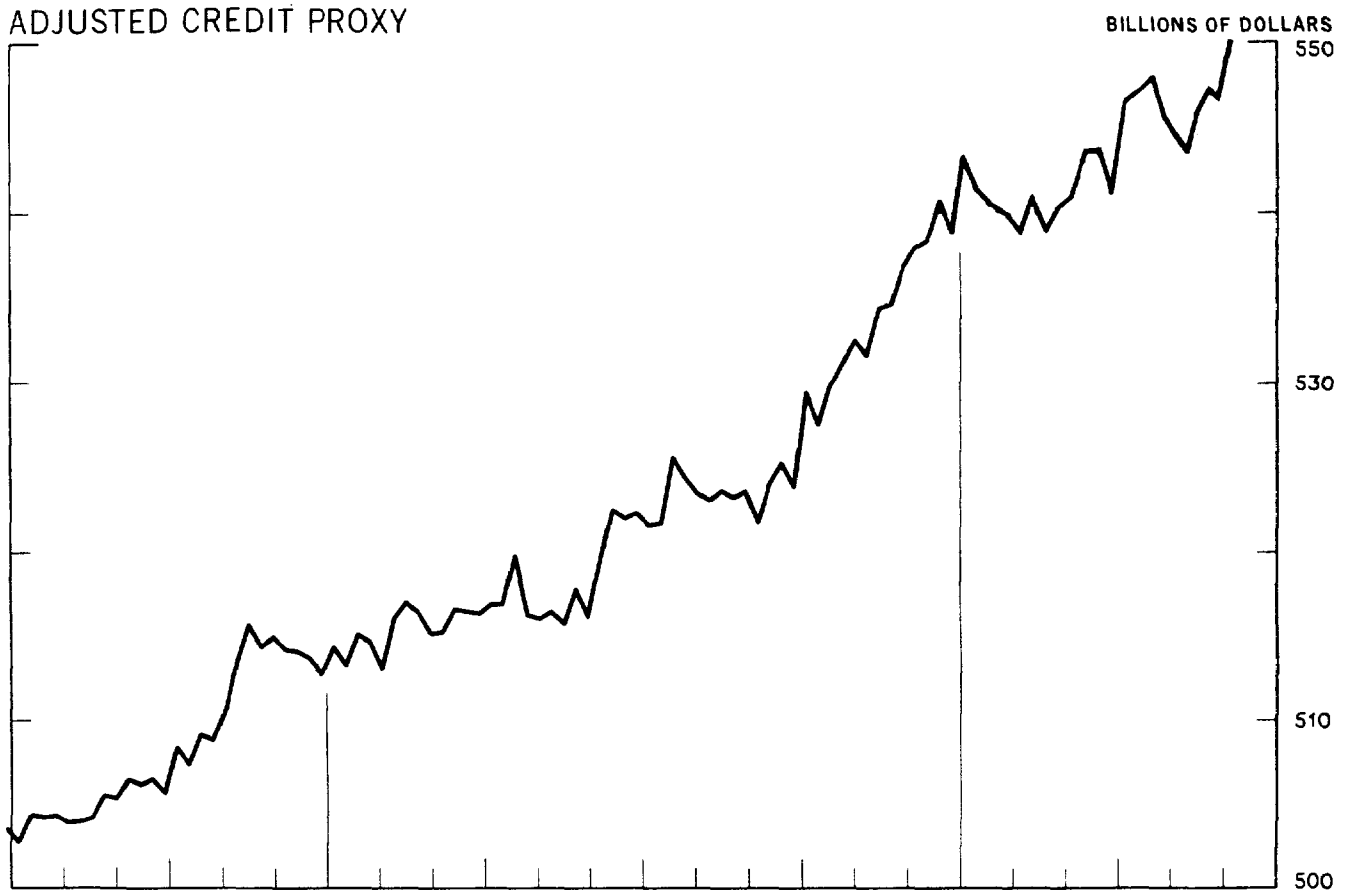
1975

1976

1977

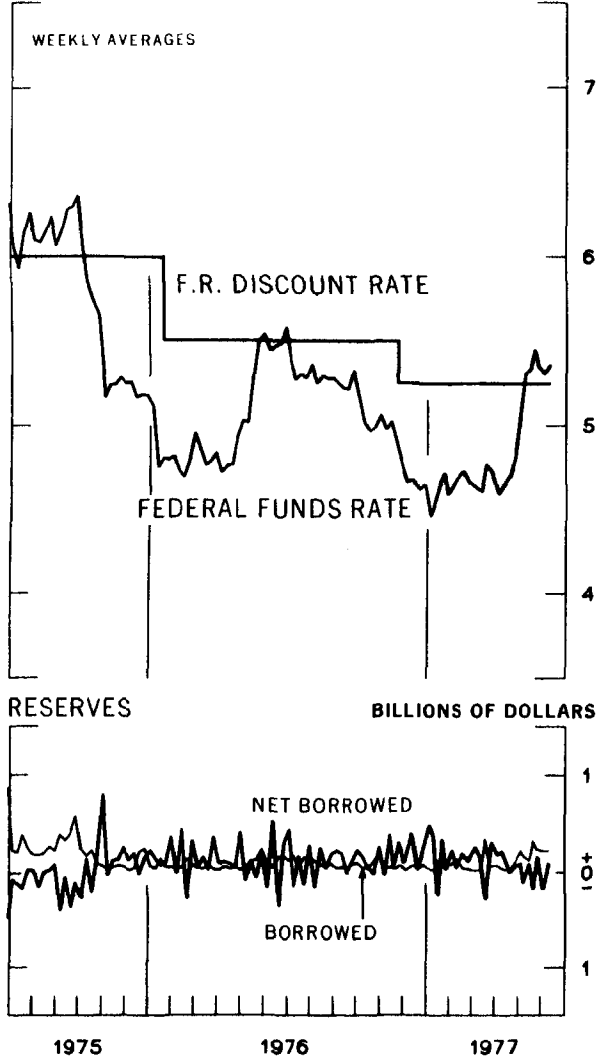
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MONETARY AGGREGATES

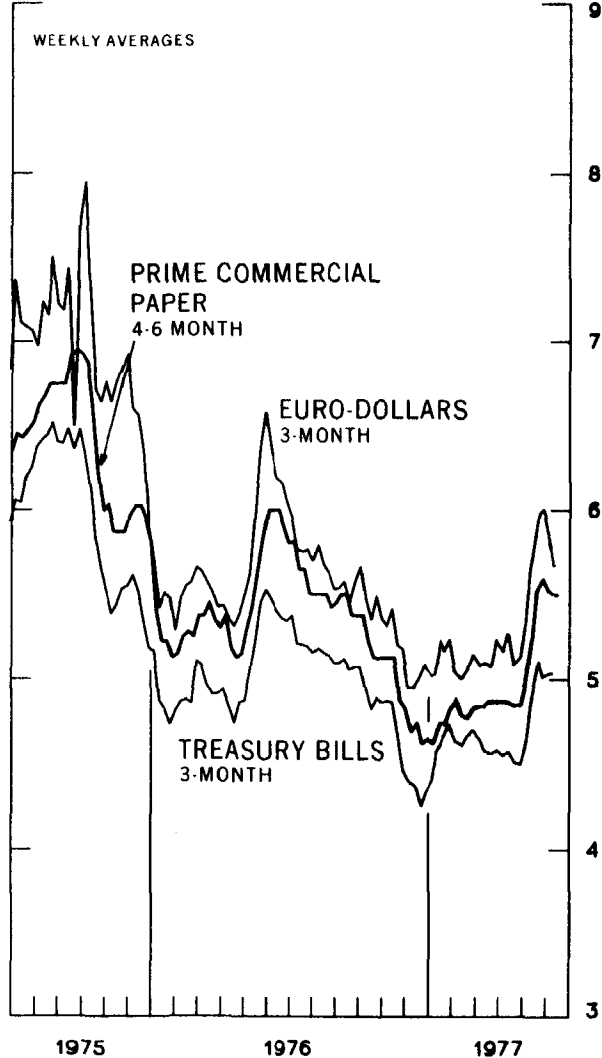


MONEY MARKET CONDITIONS AND INTEREST RATES

MONEY MARKET CONDITIONS PER CENT



INTEREST RATES Short-term PER CENT



INTEREST RATES Long-term PER CENT

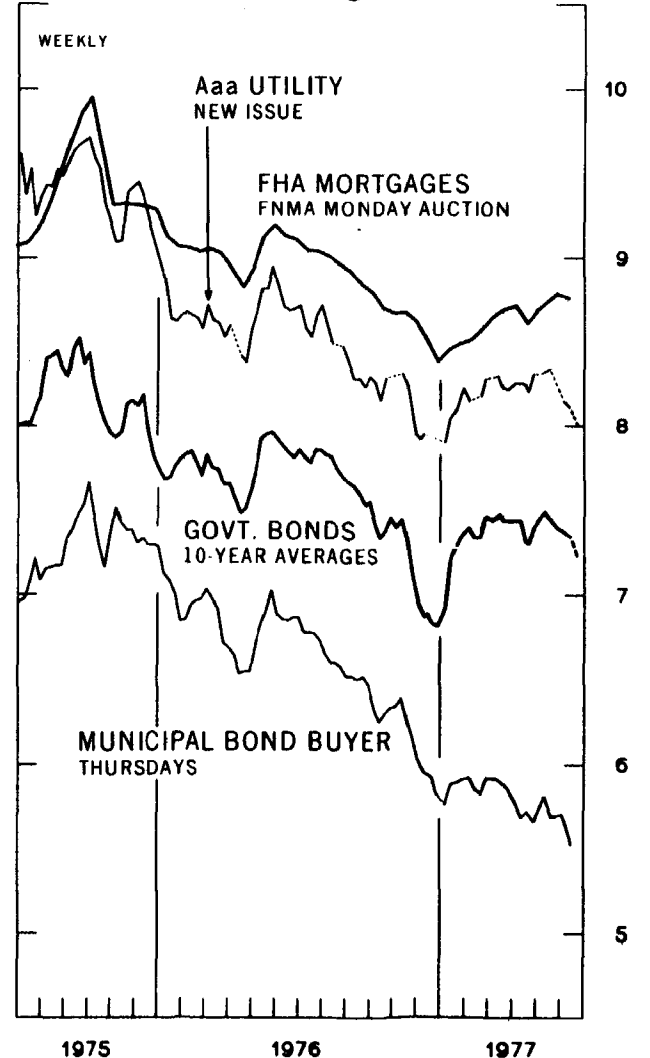


Table 1

CONFIDENTIAL (FR)
CLASS II-FOMC
JUNE 17, 1977**MONETARY AGGREGATES**

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	Money Supply		Adjusted Credit Proxy	Total U.S. Govt. Deposits 1/	Time and Savings Deposits					Nondeposit Sources of Funds	Member Bank U.S. Govt. Deposits
	Narrow (M1)	Broad (M2)			Total	Other Than CD'S			CD'S		
						Total	Savings	Other			
	1	2	3	4	5	6	7	8	9	10	11
MONTHLY LEVELS--\$BIL											
1977--MAR.	316.1	754.2	542.9	11.2	500.2	438.0	208.9	229.2	62.2	7.7	2.8
APR.	321.3	762.4	546.1	10.8	502.7	441.1	210.4	230.7	61.6	7.7	3.6
MAY	321.6	765.2	545.5	10.6	505.9	443.6	211.3	232.3	62.3	7.8	2.1
JUNE	(322.2)	(769.9)	(550.8)	(9.0)	(511.4)	(447.6)	(211.3)	(236.3)	(63.8)	(7.9)	(3.5)
% ANNUAL GROWTH											
QUARTERLY											
1976--4TH QTR.	7.7	12.8	11.5		14.6	16.7	28.5	6.5	1.3		
1977--1ST QTR.	4.2	8.1	3.0		8.5	10.8	15.3	6.9	-7.0		
2ND QTR.	(7.7)	(8.3)	(5.8)		(9.0)	(8.8)	(4.6)	(12.4)	(10.3)		
QUARTERLY--AV											
1976--4TH QTR.	6.8	12.2	8.2		11.5	16.3	26.7	7.6	-18.9		
1977--1ST QTR.	4.8	9.4	5.4		11.3	12.7	20.5	5.9	1.9		
2ND QTR.	(8.5)	(8.6)	(4.7)		(7.6)	(8.9)	(7.9)	(9.8)	(-1.9)		
MONTHLY											
1977--MAR.	6.1	8.2	7.6		5.8	9.7	11.0	9.0	-20.9		
APR.	19.7	13.0	7.1		6.0	8.5	8.6	7.9	-11.6		
MAY	1.1	4.4	-1.3		7.6	6.8	5.1	8.3	13.6		
JUNE	(2.2)	(7.4)	(11.7)		(13.0)	(10.8)	(0.0)	(20.7)	(28.9)		
MAY--JUNE	(1.7)	(5.9)	(5.2)		(10.4)	(8.8)	(2.6)	(14.6)	(21.4)		
WEEKLY LEVELS--\$BIL											
1977-MAY 4	321.3	762.8	544.4	11.6	502.8	441.5	210.9	230.6	61.3	7.3	2.8
11	321.0	763.9	543.6	10.7	504.9	443.0	211.7	231.2	62.0	7.7	1.6
18	322.2	766.0	545.8	10.9	506.2	443.9	211.5	232.4	62.4	8.1	2.0
25	322.4	766.7	547.2	10.5	507.0	444.3	211.4	232.9	62.7	8.3	2.2
JUNE 1	321.5	767.0	546.7	8.3	508.4	445.5	211.0	234.5	62.9	7.5	2.6
8	322.5	769.3	551.0	7.5	510.0	446.8	211.3	235.0	63.2	7.8	4.4

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

JUNE 17, 1977

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							
1977--MAR.	34,308	34,204	119,573	34,093	20,403	12,123	1,507
APR.	34,680	34,606	120,750	34,488	20,608	12,162	1,718
MAY	34,726	34,519	121,379	34,521	20,706	12,116	1,899
JUNE	(34,822)	(34,598)	(122,043)	(34,629)	(20,574)	(12,314)	(1,741)
PERCENT ANNUAL GROWTH							
QUARTERLY							
1976--4TH QTR.	7.6	7.7	8.0	6.8	1.6	8.0	
1977--1ST QTR.	-1.8	-2.4	5.2	-1.1	3.7	6.9	
2ND QTR.	(6.0)	(4.6)	(8.3)	(6.3)	(3.4)	(6.3)	
QUARTERLY-AV							
1976--4TH QTR.	4.4	4.8	7.1	4.0	3.2	-0.7	
1977--1ST QTR.	2.7	2.6	6.8	3.0	5.0	9.5	
2ND QTR.	(2.9)	(1.9)	(7.2)	(3.2)	(2.8)	(4.0)	
MONTHLY							
1977--MAR.	-3.1	-4.3	5.0	-3.7	-0.8	6.4	
APR.	13.0	14.1	11.8	13.9	12.1	3.9	
MAY	1.6	-3.0	6.3	1.1	5.7	-4.5	
JUNE	(3.3)	(2.7)	(6.6)	(3.8)	(-7.7)	(19.6)	
MAY-JUNE	(2.5)	(-0.1)	(6.4)	(2.5)	(-1.0)	(7.5)	
WEEKLY LEVELS--\$MILLIONS							
1977--MAY							
4	35,327	35,112	121,654	35,025	20,783	12,072	2,169
11	34,686	34,530	120,989	34,640	20,872	12,067	1,761
18	34,829	34,702	121,488	34,611	20,744	12,091	1,776
25	34,277	33,966	121,062	34,142	20,552	12,138	1,452
JUNE							
1	34,773	34,543	121,892	34,382	20,595	12,207	1,560
8	34,517	34,294	121,212	34,471	20,661	12,240	1,571
15	34,754	34,531	121,670	34,443	20,481	12,292	1,671

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

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

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
JUNE 17, 1977

Period	Treasury Bills Net Change 2/	Treasury Coupons Net Purchases 3/					Federal Agencies Net Purchases 4/					Net Change Outright Holdings Total 5/	Net RP's 6/
		Within 1 year	1 - 5	5 - 10	Over 10	Total	Within 1 year	1 - 5	5 - 10	Over 10	Total		
1972	-490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	-46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	-154
1975	-468	337	3,284	1,510	1,070	6,202	191	824	460	138	1,613	7,267	1,272
1976	863	472	3,025	1,048	642	5,187	105	469	203	114	891	6,227	3,607
1976--Qtr. I	-363	115	554	226	156	1,052	102	288	108	38	535	1,022	1,256
Qtr. II	2,067	109	796	245	134	1,284	3	140	57	40	240	3,371	1,654
Qtr. III	45	171	881	345	160	1,557	--	--	--	--	--	1,398	392
Qtr. IV	-886	77	794	232	192	1,294	--	41	37	36	115	436	304
1977--Qtr. I	1,164	192	997	325	165	1,680	--	--	--	--	--	2,738	-4,771
1976--Dec.	-570	59	681	170	119	1,029	--	--	--	--	--	403	5,976
1977--Jan.	2,222	45	475	128	48	695	--	--	--	--	--	2,908	-6,877
Feb.	-691	107	348	151	81	687	--	--	--	--	--	-45	1,931
Mar.	-368	41	174	46	37	298	--	--	--	--	--	-125	175
Apr.	1,392	20	327	104	38	489	--	173	138	35	346	2,176	2,822
May	-208	--	--	--	--	--	--	--	--	--	--	-254	-3,207
1977--Apr. 6	-151	--	--	--	--	--	--	--	--	--	--	-177	-9,141
13	-109	--	--	--	--	--	--	--	--	--	--	-117	7,954
20	585	--	--	--	--	--	--	--	--	--	--	572	3,549
27	784	20	327	104	38	489	--	--	--	--	--	1,258	822
May 4	533	--	--	--	--	--	--	173	138	35	346	866	2,779
11	245	--	--	--	--	--	--	--	--	--	--	227	-2,892
18	11	--	--	--	--	--	--	--	--	--	--	3	-2,841
25	-125	--	--	--	--	--	--	--	--	--	--	-133	-2,697
June 1	-702	--	--	--	--	--	--	--	--	--	--	-704	47
8	-1,442	--	--	--	--	--	--	--	--	--	--	-1,445	-6,501
15	-33	--	--	--	--	--	--	--	--	--	--	-58	3,444
22													
29													
LEVEL June 15 (in billions)	39.3	9.4	29.9	11.2	6.4	56.9	1.5	3.4	1.4	.8	7.1	103.3	-5.5

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

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

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

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

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

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

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

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
JUNE 17, 1977

	U.S. Govt. Security Dealer Positions		Underwriting Syndicate Positions		Excess** Reserves	Member Bank Reserve Positions			
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)		Borrowing at FRB**		Basic Reserve Deficit	
						Total (6)	Seasonal (7)	8 New York	38 Others
1976--High	8,896	3,046	334	343	655	242	34	-8,161	-12,744
Low	3,668	175	0	34	-180	24	8	-2,367	- 6,908
1977--High	7,234	3,017	163	350	513	339	50	-8,742	-13,975
Low	1,729	*-289	5	125	-111	20	8	-4,293	- 9,010
1976--May	4,239	591	95	199	210	114	11	-4,402	- 8,151
June	4,996	582	100	196	214	127	20	-4,219	- 9,158
July	5,743	904	106	211	234	132	25	-4,756	- 9,399
Aug.	6,174	1,686	85	116	207	100	31	-4,624	- 9,691
Sept.	7,838	1,509	95	172	205	63	31	-5,703	- 9,716
Oct.	6,271	1,832	94	258	221	94	32	-6,428	-10,527
Nov.	6,876	2,418	79	217	257	72	22	-6,289	-11,618
Dec.	8,005	2,443	145	167	274	53	13	-7,168	-11,449
1977--Jan.	6,406	2,320	82	202	265	68	10	-6,421	-11,504
Feb.	4,450	1,605	72	226	198	72	12	-5,604	-11,503
Mar.	4,906	972	103	162	214	103	13	-5,661	-10,912
Apr.	4,567	696	101	173	192	73	14	-6,586	-11,409
May	*3,072	*123	20	228	210p	206p	30p	-5,693	-10,175
1977--Apr. 6	6,208	761	39	232	256	65	14	-5,652	-11,318
13	6,670	453	0	144	274	38	13	-7,445	-13,727
20	6,025	1,103	231	125	34	29	14	-7,119	-11,568
27	1,729	582	34	192	164	99	15	-5,518	- 9,122
May 4	2,474	421	33	350	302	215	18	-5,840	- 9,209
11	2,778	199	8	180	46	156	22	-7,349	-10,843
18	3,232	-289	15	188	218	127	28	-5,627	-11,054
25	*2,837	*-83	24	194	157p	311p	34p	-5,133	- 9,817
June 1	*4,172	*681	23	166	391p	230p	44p	-4,392	- 9,433
8	*5,579	*281	33	213	46p	233p	50p	-5,614p	-12,195p
15	*5,711	*164	75p	168p	314p	223p	47p	-5,414p	-12,433p
22									
29									

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
JUNE 17, 1977

	Short-term						Long-term								
	Federal Funds	Treasury Bills		Commercial Paper 90-119 Day	CD's New Issue-NYC		U.S. Govt.-Constant Maturity Yields			Corp.-Aaa Utility		Municipal Bond Buyer	Home Mortgages		
		90-Day	1-Year		60-Day	90-Day	3-yr	7-yr	20-yr	New Issue	Recently Offered		Primary Conv.	Secondary Market	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1976--High	5.58	5.53	6.32	5.90	5.63	5.75	7.52	7.89	8.17	8.95	8.94	7.13	9.10	9.20	8.45
Low	4.63	4.27	4.62	4.63	4.40	4.50	5.65	6.33	7.23	7.93	7.84	5.83	8.70	8.39	7.57
1977--High	5.45	5.11	5.53	5.50	5.30	5.44	6.58	7.31	7.78	8.32	8.33	5.93	8.85	8.79	8.08
Low	4.47	4.41	4.67	4.63	4.48	4.63	5.83	6.59	7.26	7.90	7.95	5.55	8.65	8.46	7.56
1976--May	5.29	5.20	5.98	5.44	5.25	5.38	7.27	7.77	8.13	8.82	8.77	6.87	8.77	9.09	8.33
June	5.48	5.41	6.12	5.83	5.55	5.68	7.32	7.76	8.03	8.72	8.73	6.87	8.85	9.13	8.35
July	5.31	5.23	5.82	5.54	5.30	5.42	7.12	7.70	8.00	8.63	8.63	6.79	8.93	9.05	8.37
Aug.	5.29	5.14	5.64	4.35	5.23	5.31	6.86	7.58	7.91	8.52	8.50	6.61	9.00	8.99	8.30
Sept.	5.25	5.08	5.50	5.33	5.11	5.24	6.66	7.41	7.78	8.29	8.33	6.51	8.98	8.88	8.10
Oct.	5.03	4.92	5.19	5.10	4.90	5.04	6.24	7.16	7.70	8.25	8.24	6.30	8.93	8.75	7.98
Nov.	4.95	4.75	5.00	4.98	4.84	4.94	6.09	6.86	7.64	8.17	8.18	6.29	8.81	8.66	7.93
Dec.	4.65	4.35	4.64	4.66	4.68	4.50	5.68	6.37	7.30	7.94	7.93	5.94	8.79	8.45	7.59
1977--Jan.	4.61	4.62	5.00	4.72	4.61	4.68	6.22	6.92	7.48	8.08	8.09	5.87	8.72	8.48	7.83
Feb.	4.68	4.67	5.16	4.76	4.58	4.70	6.44	7.16	7.64	8.22	8.19	5.89	8.67	8.55	7.98
Mar.	4.69	4.60	5.19	4.75	4.58	4.72	6.47	7.20	7.73	8.25	8.29	5.89	8.69	8.68	8.06
Apr.	4.73	4.54	5.10	4.75	4.57	4.67	6.32	7.11	7.67	8.26	8.22	5.73	8.75	8.67	7.96
May	5.35	4.96	5.43	5.26	5.04	5.16	6.55	7.26	7.74	8.33	8.31	5.75	8.83	8.74	8.04
1977--Apr. 6	4.60	4.56	5.14	4.75	4.58	4.63	6.45	7.22	7.72	8.26	8.25	5.79	8.75	8.72	8.01
13	4.65	4.58	5.10	4.75	4.58	4.70	6.22	7.06	7.65	8.25	8.16	5.70	8.75	--	7.99
20	4.71	4.51	4.99	4.75	4.50	4.67	6.23	7.04	7.62	8.21	8.21	5.73	8.78	8.62	7.89
27	4.82	4.50	5.13	4.75	4.63	4.70	6.38	7.14	7.69	8.31	8.25	5.68	8.78	--	7.96
May 4	5.15	4.65	5.24	4.83	4.65	4.80	6.49	7.27	7.74	--	8.33	5.76	8.78	8.70	8.06
11	5.31	4.87	5.41	5.05	5.00	5.13	6.58	7.31	7.78	8.32	8.32	5.82	8.83	--	8.08
18	5.34	4.99	5.46	5.35	5.25	5.28	6.57	7.25	7.74	8.34	8.31	5.70	8.85	8.74	8.04
25	5.45	5.11	5.53	5.48	5.25	5.44	6.56	7.21	7.70	--	8.28	5.71	8.85	--	8.04
June 1	5.36	5.02	5.42	5.50	5.30	5.40	6.49	7.17	7.68	8.15	8.22	5.72	8.85	8.79	7.99
8	5.31	5.04	5.43	5.46	5.25	5.38	6.46	7.13	7.68	8.11	8.22	5.65	8.85	--	7.99
15	5.37	5.04	5.41	5.44	5.25	5.35	6.36p	7.01p	7.63p	8.01p	8.08p	5.55	n.a.	8.77	7.99
22															
29															
Daily--June 9	5.33	5.08	5.45	5.50	--	--	6.49	7.14	7.69	--	--	--	--	--	--
16	5.38p	5.02	5.43	5.40	--	--	6.37p	7.02p	7.64p	--	--	--	--	--	--

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

APPENDIX TABLE 1-A

MONEY AND CREDIT AGGREGATE MEASURES

JUNE 17, 1977

Period	BANK RESERVES ^{1/}			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Monetary Base	Adj. Credit proxy	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11	12
	(Per cent annual rates of growth)											
ANNUALLY: ^{2/}												
1974	7.0	7.7	9.1	9.8	10.1	5.1	7.7	7.1	10.6	9.0	8.9	9.5
1975	-0.2	3.2	5.9	4.2	3.9	4.4	8.3	11.1	6.5	9.7	10.5	10.1
1976	1.0	1.2	6.9	4.3	8.0	5.6	10.9	12.8	7.1	10.3	9.9	10.2
SEMI-ANNUALLY:												
2ND HALF 1975	0.3	0.9	5.8	3.5	4.5	2.8	6.9	10.2	5.7	9.1	10.6	10.6
1ST HALF 1976	-1.4	-1.4	6.5	3.0	7.7	5.7	10.2	11.7	5.9	8.9	8.8	9.2
2ND HALF 1976	4.1	4.5	7.1	6.7	9.3	6.1	12.1	13.9	9.1	12.0	10.7	10.6
QUARTERLY:												
2ND QTR. 1976	3.1	2.2	8.2	4.0	8.5	6.8	9.1	10.7	6.6	9.0	8.8	9.5
3RD QTR. 1976	0.6	1.3	6.1	1.8	7.2	4.9	10.4	12.9	5.7	9.9	9.3	9.5
4TH QTR. 1976	7.6	7.7	8.0	11.5	11.2	7.2	13.4	14.5	12.4	13.8	11.8	11.5
1ST QTR. 1977	-1.8	-2.4	5.1	3.0	9.5	3.8	8.5	10.0	7.3	9.2	9.8	10.2
QUARTERLY-AV:												
2ND QTR. 1976	0.6	0.4	8.2	2.2	8.7	8.2	10.5	11.8	6.4	9.1	9.0	9.4
3RD QTR. 1976	2.7	2.6	6.3	3.9	6.9	4.4	9.1	11.4	6.0	9.3	9.2	9.6
4TH QTR. 1976	4.4	4.8	7.1	8.2	10.8	6.5	12.5	14.4	9.8	12.7	11.1	10.9
1ST QTR. 1977	2.7	2.6	6.8	5.4	8.8	4.2	9.9	11.3	9.3	10.9	10.5	10.6
MONTHLY:												
1976--MAY	4.1	1.6	8.0	-3.7	6.3	6.8	8.9	10.5	3.9	7.3	7.1	8.0
JUNE	4.1	3.7	5.4	13.5	7.9	-1.2	4.3	7.1	6.4	8.3	8.2	9.2
JULY	2.0	1.8	6.5	3.2	4.1	7.1	12.0	12.8	8.9	10.8	11.5	11.8
AUG.	5.9	7.0	6.6	0.7	9.7	5.9	8.8	12.3	2.0	7.9	7.6	7.7
SEPT.	-6.2	-4.8	5.1	1.6	7.6	1.6	10.0	13.3	6.2	10.8	8.6	8.7
OCT.	6.0	4.9	7.1	11.9	13.5	13.7	16.1	16.9	13.5	15.3	14.0	13.7
NOV.	11.8	12.6	9.1	11.3	11.1	0.0	10.6	12.6	9.7	11.9	10.7	10.3
DEC.	4.9	5.6	7.7	10.8	8.6	7.7	13.1	13.4	13.4	13.7	10.5	10.2
1977--JAN.	10.9	10.4	10.6	4.5	3.7	5.4	9.7	11.4	8.7	10.8	10.8	11.0
FEB.	-13.1	-13.3	-0.2	-2.9	14.7	0.8	7.1	8.9	7.0	8.7	11.0	11.3
MAR.	-3.1	-4.3	5.0	7.6	10.0	5.4	8.6	9.4	6.2	8.0	7.2	7.9
APR.	13.0	14.1	11.8	7.1	14.0	19.4	13.5	12.4	11.7	11.3	10.7	11.0
MAY P	1.6	-3.0	6.3	-1.3	10.3	0.7	4.7	7.0	5.4	7.3	7.3	7.9

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

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

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 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:												
1974	34,174	33,447	104,380	494.6	695.2	263.1	612.4	981.5	761.4	1070.5	1181.2	1221.6
1975	34,015	33,885	110,394	513.8	725.5	294.8	664.3	1092.6	746.5	1174.7	1308.3	1351.1
1976	34,465	34,412	118,054	538.8	788.2	312.4	740.3	1237.1	803.5	1300.3	1436.9	1488.4
MONTHLY:												
1976--MAY	33,661	33,546	113,498	515.6	748.4	303.5	695.7	1149.7	764.3	1218.3	1356.4	1402.5
JUNE	33,776	33,650	114,009	521.4	753.3	303.2	698.2	1156.5	768.4	1226.7	1365.7	1413.2
JULY	33,833	33,701	114,625	522.8	755.9	305.0	705.2	1168.8	774.1	1237.7	1378.6	1427.1
AUG.	33,998	33,897	115,252	523.1	762.0	306.5	710.4	1180.8	775.4	1245.8	1387.5	1436.3
SEPT.	33,823	33,761	115,739	523.8	766.8	306.9	716.3	1193.9	779.4	1257.0	1397.5	1446.7
OCT.	33,992	33,898	116,424	529.0	775.4	310.4	725.9	1210.7	788.2	1273.0	1413.8	1463.2
NOV.	34,325	34,253	117,304	534.0	782.6	310.4	732.3	1223.4	794.6	1285.6	1426.4	1475.8
DEC.	34,465	34,412	118,054	538.8	788.2	312.4	740.3	1237.1	803.5	1300.3	1436.9	1488.4
1977--JAN.	34,778	34,710	119,100	540.8	790.6	313.8	746.3	1248.9	809.3	1312.0	1451.9	1502.6
FEB.	34,397	34,326	119,077	539.5	800.3	314.0	750.7	1258.2	814.0	1321.5	1464.2	1516.2
MAR.	34,308	34,204	119,572	542.9	807.0	315.4	756.1	1268.1	818.2	1330.3	1474.0	1526.2
APR.	34,680	34,606	120,749	546.1	816.4	320.5	764.6	1281.2	826.2	1342.8	1487.1	1540.2
MAY P	34,726	34,519	121,379	545.5	823.4	320.7	767.6	1288.7	829.9	1351.0	1496.1	1550.4
WEEKLY:												
1977--APR. 13	34,229	34,191	119,863	547.1		320.6	765.1		826.7			
20	34,755	34,726	120,890	547.9		320.2	763.9		825.2			
27	34,922	34,823	121,516	545.6		321.9	766.2		827.4			
MAY 4	35,327	35,112	121,653	544.4		320.4	765.1		826.4			
11	34,686	34,530	120,990	543.6		320.1	766.2		828.2			
18	34,829	34,702	121,488	545.8		321.3	768.4		830.7			
25	34,277	33,966	121,061	547.2		321.5	769.1		831.8			
JUNE 1P	34,773	34,543	121,891	546.7		320.6	769.4		832.3			
8P	34,517	34,294	121,213	551.0		321.5	771.7		834.9			

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURO-DOLLAR BORROWINGS OF U.S. BANKS. WEEKLY DATA ARE DAILY AVERAGES FOR STATEMENT WEEKS. MONTHLY DATA ARE DAILY AVERAGES. WEEKLY DATA ARE NOT AVAILABLE FOR M₃, M₅, M₆, M₇, TOTAL LOANS AND INVESTMENTS AND TIME DEPOSIT 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)											
^{2/} ANNUALLY:												
1974	10.3	3.0	14.7	10.1	6.5	12.7	36.5	5.6	12.3	4.7	13.5	29.0
1975	8.8	2.9	8.0	11.7	17.0	8.0	-6.1	15.5	19.4	6.2	33.4	-1.0
1976	9.6	4.3	8.1	15.2	24.5	8.1	-23.5	15.6	17.8	6.9	7.2	18.8
SEMI-ANNUALLY:												
2ND HALF 1975	7.9	1.0	7.7	10.4	15.9	6.1	-3.6	15.2	17.8	6.4	51.1	5.3
1ST HALF 1976	10.3	4.2	6.0	13.8	23.7	6.3	-29.0	13.8	16.4	6.2	10.3	21.5
2ND HALF 1976	7.7	5.6	11.1	16.6	24.2	10.2	-19.7	16.7	18.5	7.2	-8.9	8.9
QUARTERLY:												
2ND QTR. 1976	9.5	5.8	6.6	11.1	13.8	8.9	-17.4	12.7	15.1	6.4	8.2	31.9
3RD QTR. 1976	8.8	3.7	6.2	14.5	18.5	11.3	-40.5	16.9	17.9	8.1	0.0	15.2
4TH QTR. 1976	6.6	7.4	15.7	18.1	28.5	8.8	1.3	15.9	18.2	0.2	-17.8	2.4
1ST QTR. 1977	8.4	2.2	9.5	11.9	15.3	9.0	-7.0	12.0	16.4	6.1	24.0	22.6
QUARTERLY-AV:												
2ND QTR. 1976	11.2	7.0	5.4	12.4	22.0	4.7	-30.1	13.5	16.5	5.9	9.5	22.0
3RD QTR. 1976	7.6	3.2	7.0	12.8	13.4	12.2	-24.6	14.6	15.9	7.0	9.2	22.6
4TH QTR. 1976	8.1	6.0	12.2	17.1	26.7	8.9	-18.9	17.2	18.5	7.4	-13.0	5.7
1ST QTR. 1977	7.5	3.1	12.5	14.0	20.5	6.5	1.9	13.3	16.7	6.7	7.0	14.6
MONTHLY:												
1976--MAY	11.0	5.3	1.8	9.9	18.3	3.4	-43.8	13.0	13.8	7.0	3.5	34.8
JUNE	3.1	-3.2	12.0	9.2	0.7	16.4	28.0	10.9	13.6	7.0	10.4	33.8
JULY	9.3	6.9	9.5	15.2	11.4	18.4	-22.2	13.9	16.8	5.2	29.3	20.3
AUG.	7.7	5.3	-0.3	11.4	21.2	3.3	-67.9	18.0	16.6	8.6	0.0	14.9
SEPT.	9.2	-1.1	9.2	16.3	22.1	12.0	-35.1	18.0	19.6	10.3	-28.6	9.8
OCT.	9.1	15.3	13.5	17.9	30.0	6.5	-15.2	18.0	19.3	5.1	-1.7	4.9
NOV.	6.0	-2.1	16.1	18.8	26.2	12.9	-1.9	15.3	15.8	6.8	-5.2	0.0
DEC.	4.5	8.9	17.1	16.8	27.5	6.9	21.2	13.8	18.8	6.7	-46.8	2.4
1977--JAN.	8.9	4.1	11.0	12.9	22.1	5.3	-3.8	14.2	15.4	6.7	18.0	14.5
FEB.	10.4	-3.1	10.7	11.7	12.3	11.1	3.8	11.4	15.2	6.6	60.4	24.0
MAR.	5.9	5.7	6.7	10.7	11.0	10.4	-20.9	10.0	18.0	5.0	-6.8	28.2
APR.	13.1	21.6	6.9	9.5	8.6	10.4	-11.6	10.4	11.8	6.6	6.8	18.4
MAY P	7.2	-2.0	8.3	7.6	5.1	9.8	13.6	10.6	8.8	6.5	5.1	27.1

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

2/ BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY.

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

Period	Currency	Demand Deposits	Time and Savings Deposits				Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short-Term U.S. Gov't Sec ^{1/}	Commercial 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
ANNUALLY:														
1974	67.8	215.3	418.3	329.3	136.2	193.1	89.0	341.5	27.6	63.3	47.4	46.4	8.4	6.0
1975	73.7	221.6	451.7	369.6	160.5	209.0	82.1	395.2	33.0	67.3	66.3	42.6	8.4	8.5
1976	80.5	231.9	491.1	427.9	201.2	226.6	63.3	457.8	39.0	71.9	66.6	49.5	9.2	11.2
MONTHLY:														
1976--MAY	77.3	226.2	460.7	392.1	179.4	212.7	68.6	418.7	35.3	69.0	69.1	46.1	7.6	7.9
JUNE	77.5	225.6	465.3	395.1	179.5	215.6	70.2	422.5	35.7	69.4	69.7	47.4	8.4	9.8
JULY	78.1	228.9	469.0	400.1	181.2	218.9	68.9	427.4	36.2	69.7	71.4	48.2	8.8	10.1
AUG.	78.6	227.9	468.9	403.9	184.4	219.5	65.0	433.8	36.7	70.2	71.4	48.8	8.9	12.6
SEPT.	79.2	227.7	472.5	409.4	187.8	221.7	65.1	440.3	37.3	70.8	69.7	49.2	8.2	12.0
OCT.	79.8	230.6	477.8	415.5	192.5	222.9	62.3	446.9	37.9	71.1	69.6	49.4	9.0	13.2
NOV.	80.2	230.2	484.2	422.0	196.7	225.3	62.2	452.6	38.4	71.5	69.3	49.4	9.1	13.0
DEC.	80.5	231.9	491.1	427.9	201.2	226.6	63.3	457.8	39.0	71.9	66.6	49.5	9.2	11.2
1977--JAN.	81.1	232.7	495.0	432.5	204.9	227.6	63.1	463.2	39.5	72.3	67.6	50.1	8.3	10.0
FEB.	81.8	232.1	500.6	436.7	207.0	229.7	63.3	467.6	40.0	72.7	71.0	51.1	7.5	11.7
MAR.	82.2	233.2	502.8	440.6	208.9	231.7	62.2	471.5	40.6	73.0	70.6	52.5	7.7	11.2
APR.	83.1	237.4	505.7	444.1	210.4	233.7	61.6	475.6	41.0	73.4	71.0	53.1	7.7	10.8
MAY P	83.6	237.0	509.2	446.9	211.3	235.6	62.3	479.8	41.3	73.8	71.3	54.3	7.8	10.6
WEEKLY:														
1977--APR.	13	82.7	237.9	506.1	444.5	210.6	233.9	61.6					7.8	10.6
	20	83.0	237.2	505.0	443.7	210.2	233.5	61.3					7.9	13.4
	27	83.4	238.5	505.5	444.3	210.5	233.8	61.2					7.9	10.6
MAY	4	83.3	237.1	505.6	444.7	210.9	233.8	61.3					7.3	11.6
	11	83.4	236.7	508.1	446.2	211.7	234.4	62.0					7.7	10.7
	18	83.6	237.6	509.5	447.1	211.5	235.7	62.4					8.1	10.9
	25	83.7	237.8	510.3	447.6	211.4	236.2	62.7					8.3	10.5
JUNE	1P	84.1	236.5	511.7	448.8	211.0	237.8	62.9					7.5	8.3
	8P	83.7	237.7	513.4	450.2	211.3	238.9	63.2					7.8	7.5

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