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January 13, 1978

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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

January 13, 1978

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M-1 increased at about an 8 per cent annual rate in December, and incoming data suggest that growth over December and January will be at about a 7½ per cent rate, in the upper half of the FOMC's range. M-2 appears to be increasing at a 6½ per cent annual rate over the December-January period, near the lower end of its range. As in November, all of the increase in the interest-bearing component of M-2 occurred in large denomination time deposits. Flows into savings and consumer-type time deposits remained weak, apparently reflecting the continued diversion of funds from these deposits to higher yielding market instruments. Deposit flows at thrift institutions moderated slightly further in December from November's reduced rate. Commercial bank credit is estimated to have remained about unchanged in December, on a last-Wednesday-of-the-month basis; over the fourth quarter as a whole, bank credit growth was quite strong.

Growth in Monetary Aggregates
over December-January Period
(SAAR in per cent)

	<u>Ranges</u>	<u>Latest Estimates</u>
M-1	2½ to 8½	7.2
M-2	6 to 10	6.2
Memo: Federal funds rate (per cent per annum)	Through Jan. 6: 6½ to 6¾ From Jan. 7: 6¾ to 7	Average for statement week ending Dec. 21 6.54 28 6.65 Jan. 4 6.69 11 6.58

(2) Total reserves are projected to be increasing at about a 14 per cent annual rate over December and January, reflecting the pick-up in growth of demand deposits and continued strong expansion in large denomination time deposits. Growth in nonborrowed reserves is expected to be even more rapid over this period, as member bank borrowing has declined from its November level.

(3) With the monetary aggregates apparently expanding at rates well within the ranges specified by the FOMC, the Account Management continued to aim for a Federal funds rate of around $6\frac{1}{2}$ per cent in the last weeks of December and first week of January. However, reflecting technical factors, including usual window-dressing pressures around year-end Federal funds generally traded at rates above this level. On January 6, the Board approved an increase in the discount rate from 6 to $6\frac{1}{2}$ per cent. On that day, the FOMC also concurred in the Chairman's recommendation to raise the Federal funds rate range to $6\frac{1}{2}$ to 7 per cent and to instruct the Account Manager to raise the funds rate to around $6\frac{3}{4}$ over the next few days.

(4) Short-term market interest rates changed little during late December and early January, though longer-term rates moved up somewhat. After the discount rate was raised and the System increased its Federal funds rate target, however, Treasury bill rates increased sharply and, on balance, are up 35 to 45 basis points for the inter-meeting period. At the same time, private short-term rates have increased more modestly. Yields on longer-term market securities have

risen to 10 to 35 basis points since the last Committee meeting, while rates in the primary mortgage market edged higher.

(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 Dec. '77 over Dec. '76	Past Six Months Dec. '77 over June '77	Past Three Months Dec. '77 over Sept. '77	Past Month Dec. '77 over Nov. '77
Nonborrowed reserves	1.5	3.6	6.1	7.4	17.2
Total reserves	0.4	5.1	7.8	6.6	7.0
Monetary Base	6.4	8.4	9.7	8.9	9.2
<u>Concepts of Money</u>					
M-1 (Currency plus demand deposits) <u>1/</u>	5.1	7.4	8.4	6.1	7.9
M-2 (M-1 plus time deposits at commercial banks other than large CD's)	10.0	8.9	8.7	6.9	5.8
M-3 (M-2 plus deposits at thrift institutions)	12.3	11.1	11.5	9.2	7.3
M-4 (M-2 plus CD's)	7.0	9.7	10.6	11.7	10.6
M-5 (M-3 plus CD's)	10.2	11.4	12.5	12.1	10.2
<u>Bank Credit</u>					
Loans and investments of all commercial banks <u>2/</u>					
Month-end basis	6.5	10.4	8.5	8.3	-0.7
Average of Wednesdays	6.2	10.5	9.0	8.7	0.7
<u>Short-term Market Paper</u> (Monthly average change in billions)					
Large CD's	-1.1	1.0	1.8	3.8	3.8
Nonbank commercial paper	0.0	0.2	0.0	0.1	0.8

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

2/ Includes loans sold to affiliates and branches.

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

Prospective developments

(6) Shown below for Committee consideration are three alternative sets of longer-run growth ranges for the monetary aggregates applicable to the QIV '77-QIV '78 period.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
M-1	4 to 7	4 to 6½	4 to 6
M-2	7 to 9½	6½ to 9	6 to 8½
M-3	8½ to 11	8 to 10½	7½ to 10
Bank credit	7½ to 10½	7 to 10	6½ to 9½

(7) Alternative B encompasses the ranges for all of the aggregates adopted by the Committee in October for the QIII '77-QIII '78 period. The ranges for M-2 and M-3 now assume an upward adjustment of one-half percentage point in ceiling rates on small denomination time deposits in the first half of the year. Without such an adjustment, the increase in market interest rates thought necessary to restrain M-1 growth to the mid-point of its indicated range would--given associated projections for time deposit flows into banks and thrift institutions--lead to growth in M-2 and M-3 at rates near or below the lower ends of the ranges shown.^{1/} Alternatives A and C represent, respectively, somewhat more and somewhat less expansive

^{1/} Without an adjustment in deposit ceiling rates, the ranges for M-2 and M-3 for the QIV '77-QIV '78 period consistent with a 4 to 6½ per cent growth in M-1 would be 5½ to 8 and 6½ to 9 per cent, respectively. Projections of the interest-bearing components of M-2 and M-3, with and without an adjustment in ceiling rates, are shown in Appendix V. (Should the Committee wished to retain the existing M-2 and M-3 ranges without an adjustment in deposit ceiling rates, the staff believes that consistency would require an M-1 range of 5 to 8 per cent and associated lower short-term market rates.)

policy alternatives; both also assume the upward adjustment in ceiling rates.

(8) The table below provides perspective on the relationship between growth rates proposed for the QIV '77-QIV '78 period and for 15- and 18-month periods also ending in QIV '78. It shows, for instance, that growth in M-1 at around the 5-1/4 per cent mid-point of the proposed alternative B range would lead to a 5.6 per cent annual rate of expansion over the 15-month period starting with QIII '77 and to a 6.3 per cent annual rate of growth over the 18-month period beginning with QII '77--in both cases within the current FOMC range, but above the mid-point. This is the case because of the sizable overshoot in M-1 growth in the third quarter of last year and the slight overshoot in the fourth. M-1 growth at the mid-point of the proposed 4-6 per cent alternative C range would virtually compensate for the slight fourth quarter overshoot, since this would lead to a 5.4 per annual rate of expansion over the 15-month QIII '77-QIV '78 period.^{1/}

Growth Rates in Monetary Aggregates Assuming
Growth Over QIV '77-QIV '78 Period at Near
Mid-Point of Alternative Ranges
(Annual rate, compounded quarterly)

<u>Period</u>	<u>Alt. A</u>	<u>Alt. B</u>		<u>Alt. C</u>
		<u>M-1</u>		
QIV '77-QIV '78	5.5	5.2	5.0	5.0
QIII '77-QIV '78	5.8	5.6	5.4	5.4
QII '77-QIV '78	6.5	6.3	6.1	6.1
Memo: QIII '77-QIII '78	6.0	5.7	5.4	5.4
		<u>M-2</u>		
QIV '77-QIV '78	8.7	8.3	7.8	7.8
QIII '77-QIV '78	8.5	8.2	7.8	7.8
QII '77-QIV '78	8.9	8.6	8.3	8.3
Memo: QIII '77-QIII '78	8.4	8.1	7.8	7.8

^{1/} Implications of the proposed alternatives for the monetary aggregates for growth over even more extended periods than those shown in the text table are shown in connection with the growth triangles in Appendix IV.

(9) Shorter-run specifications for monetary aggregates and the Federal funds rate believed consistent with longer-run proposals are summarized below for Committee consideration. (More detailed, and longer-term, data are shown in the tables on pp. 8 and 9.)

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Ranges for Jan.-Feb.			
M-1	3 to 9	2½ to 8½	2 to 8
M-2	5½ to 9½	5. to 9	4½ to 8½
Federal funds rate (Intermeeting period)	6 to 6½	6½ to 7	7 to 7½

(10) A Federal funds rate centered on the recently prevailing 6½ per cent, as encompassed under alternative B, is likely to be associated with M-1 growth over January-February in a 2½ to 8½ per cent annual rate range. However, the staff expects that further increases in market interest rates will be required relatively soon in order to limit growth in this aggregate over the QIV '77 to QIV '78 period to the mid-point of the longer-run 4 to 6½ per cent range associated with alternative B. Money demand can be expected to be relatively strong over the year. Nominal GNP is projected to increase at about an 11¾ per cent rate during 1978, reflecting in part an assumed additional fiscal stimulus from tax cuts. And the restraining effect of the previous increases in interest rates will be diminishing with the passage of time. Moreover, the evidence of the last three quarters suggests that the depressing effect on money demand of regulatory and innovational factors has been wearing off. Consequently, the staff has assumed only some moderate additional downward shift in the demand for money over 1978. Thus, in

Alternative Levels and Growth Rates for Key Monetary Aggregates

		<u>M-1</u>			<u>M-2</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	December	335.4	335.4	335.4	806.5	806.5	806.5
1978	January	337.3	337.2	337.1	811.2	810.9	810.6
	February	338.8	338.5	338.2	816.6	815.7	815.4
1977	QIV	334.1	334.1	334.1	802.9	802.9	802.9
1978	QI	338.9	338.6	338.4	816.6	816.2	816.2
	QII	343.6	342.8	342.2	834.0	834.2	833.0
	QIII	348.1	347.1	346.4	853.9	852.1	849.3
	QIV	352.6	351.6	350.9	872.9	869.4	865.9
<u>Growth Rates</u>							
<u>Monthly:</u>							
1978	January	6.8	6.4	6.1	7.0	6.5	6.1
	February	5.3	4.6	3.9	8.0	7.1	7.1
<u>Quarterly Average:</u>							
1978	QI	5.7	5.4	5.1	6.8	6.6	6.6
	QII	5.5	5.0	4.5	8.5	8.8	8.2
	QIII	5.2	5.0	4.9	9.5	8.6	7.8
	QIV	5.2	5.2	5.2	8.9	8.1	7.8
<u>Semi-Annual:</u>							
	QIV '77-QII '78	5.7	5.2	4.8	7.7	7.8	7.5
	QII '78-QIV '78	5.2	5.1	5.1	9.3	8.4	7.9
<u>Annual:</u>							
	QIV '77-QIV '78	5.5	5.2	5.0	8.7	8.3	7.8

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

		<u>M-3</u>			<u>Bank Credit</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1977	December	1373.9	1373.9	1373.9	868.7	868.7	868.7
1978	January	1382.9	1382.7	1382.1	875.2	875.2	875.2
	February	1392.8	1391.6	1389.8	882.7	882.5	882.3
1977	QIV	1365.5	1365.5	1365.5	865.0	865.0	865.0
1978	QI	1392.8	1392.1	1391.6	883.4	882.9	882.3
	QII	1424.1	1423.2	1420.3	904.4	903.0	901.9
	QIII	1459.2	1454.8	1448.5	924.5	922.0	920.2
	QIV	1493.9	1485.9	1477.0	944.1	940.9	938.4
<u>Growth Rates</u>							
<u>Monthly:</u>							
1978	January	7.9	7.7	7.2	9.0	9.0	9.0
	February	8.6	7.7	7.5	10.3	10.0	9.7
<u>Quarterly Average:</u>							
1978	QI	8.0	7.8	7.6	8.5	8.3	8.0
	QII	9.0	8.9	8.2	9.5	9.1	8.9
	QIII	9.9	8.9	7.9	8.9	8.4	8.1
	QIV	9.5	8.6	7.9	8.5	8.2	7.9
<u>Semi-Annual:</u>							
	QIV '77-QII '78	8.6	8.5	8.0	9.1	8.8	8.5
	QII '78-QIV '78	9.8	8.8	8.0	8.8	8.4	8.1
<u>Annual:</u>							
	QIV '77-QIV '78	9.4	8.8	8.2	9.1	8.8	8.5

order to constrain M-1 growth, the Federal funds rate under alternative B begins to rise next month and reaches an average of 8 per cent in the fourth quarter, as shown in Appendix I.^{1/}

(11) Under alternative B, growth in M-2 over the January-February period is likely to be in a 5 to 9 per cent annual rate range. With the recent increase in market yields, it appears likely that savings deposits at banks, which were essentially unchanged in the last two months of 1977, will remain weak in the early months of 1978. Moreover, now that yields on market instruments are at or above effective ceiling rates on all maturities of small denomination time deposits at banks, growth in such deposits is likely to remain modest at best. But relatively strong growth in large denomination time deposits included in M-2 can be expected as banks offer these instruments aggressively to offset slow growth of deposits subject to Regulation Q ceilings.

(12) Thrift institutions too are faced with unfavorable market rate comparisons, except on their 4 and 6 year maturities where the favorable spread has narrowed to only about 5 and 25 basis points respectively, since the last meeting. Consequently, growth in deposits at these institutions can be expected to slow further in January-February. With outstanding commitments at record levels, it seems likely that S&L's will not only be forced to reduce their liquidity and to maintain a high rate of borrowing from the FHLBanks, but also to slow their new commitment activity in early 1978.

^{1/} The implied increases in the velocity of M-1 and M-2 over 1978 are displayed in Appendix II.

(13) If the Federal Funds rate remains near its present $6\frac{1}{2}$ per cent level over the intermeeting period, as envisioned under alternative B, short-term market interest rates will probably remain near current higher levels. And given their increases since November, bond yields may be fully adjusted to the current level of short-term rates. Thus, yields in the corporate and tax-exempt bond markets may remain essentially unchanged, and could even decline somewhat in response to continuing strong institutional investment demands and a recent reduction in new offerings of corporate bonds. However, on January 25, the Treasury will announce terms for refunding more than \$5 billion of publicly-held issues maturing in mid-February; the Treasury may also take the occasion to raise \$1 to $\$2\frac{1}{2}$ billion of new money.

(14) Beyond the intermeeting period, short-term interest rates are expected to be under renewed upward pressure as efforts are made to limit M-1 expansion to the $5\frac{1}{2}$ per cent mid-point of the alternative B longer-run range. As short-term rates rise, some further induced increase in intermediate-term rates can be expected. Thus, even with the assumed increase in deposit rate ceilings, inflows to thrifts will probably not be sufficient to enable them to meet their mortgage commitments without further increases in borrowings from the FHLBanks. Under the circumstances, mortgage rates are likely to come under upward pressure. Banks would find it necessary to continue to offer large denomination time deposits in volume to supplement their deposit sources, and to reduce further their portfolio liquidity in order to meet loan demands. Moreover, with

Treasury, corporate, and municipal bond offerings remaining sizable, long-term yields can also be expected to be under renewed upward pressure. Such increases, however, will be limited by the continued high cash flows of insurance companies and pension funds.

(15) Alternative C contemplates an increase in the Federal funds rate over the next few weeks to the mid-point of a 7 to 7-1/2 per cent range. Under this alternative M-1 and M-2 growth over the January-February period may be in 2 to 8 and 4½ to 8½ per cent ranges, respectively. If the Committee followed this course, the 3-month bill rate would likely increase to about 7 per cent between now and the next meeting, with commensurate adjustments in other short rates. Member bank borrowing would begin to rise, and pressures for a discount rate increase would develop. The increase in short-term interest rates under the alternative would tend to strengthen the dollar on international exchange markets.

(16) Such adjustments in short-term market conditions, following so closely on recent discount rate and open market actions, would probably be accompanied by a reappraisal of the basic financial outlook by market participants. It is likely that banks and thrift institutions would adopt more restrictive lending policies, while mortgage bankers would take down existing FNMA commitments and aggressively seek new commitments. Pressures for an upward adjustment in ceiling rates on time deposits would be likely to emerge. Long-term interest rates would probably rise further. At the higher level of

rates, corporate and municipal bond offerings would likely be postponed or possibly cancelled, with borrowers turning more toward banks and the short-term sector of the open market.

(17) The tightening of the money market over the next few weeks would be a step toward reducing longer-run growth in the aggregates to rates within the somewhat lower ranges proposed for alternative C. However, further interest rate increases appear necessary as the year progresses, given the underlying strength of money demand. The staff would expect the funds rate under this alternative to average 7-3/4 per cent by the second quarter of 1978 and 8-1/4 per cent in the fourth.

(18) An easing in money market conditions over the next few weeks under alternative A, which calls for a Federal funds rate of about 6-1/4 per cent, would come as a considerable surprise so soon after the Board's recent discount rate action. Recent interest rate increases would be reversed, although perhaps not entirely in long-term markets if the rate decline was considered to be temporary. The decline in short-term rates, however, would tend to soften the dollar in international exchange markets.

(19) Even though this alternative is consistent with a shift to higher long-term growth ranges for the aggregates, the decline in the funds rate would soon have to be reversed in order to keep the aggregates within the longer-run ranges of alternative A. The funds rate

would probably have to begin rising late in the first quarter and reach a high of 7-3/4 per cent by fall. The delayed rise in short-term rates would postpone the need for a change in deposit rate ceilings.

Directive language

(20) Given below are alternatives for the operational paragraphs of the directive. The first formulation places main emphasis on near-term rates of growth in monetary aggregates. The second formulation, like the directive adopted at the last meeting, places main emphasis on money market conditions; it shows--in strike-through form--the specifications adopted at the last meeting (except that the specifications for the Federal funds rate reflect the modifications agreed upon on January 6). 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 January-February period to be within the ranges of _____ to _____ per cent for M-1 and _____ to _____ per cent for M-2. In the judgment of the Committee such growth rates are likely to be associated with a weekly-average Federal

funds rate of about _____ per cent. If, giving approximately equal weight to M-1 and M-2, it appears that growth rates over the 2-month period will deviate significantly from the midpoints of the indicated ranges, the operational objective for the Federal funds rate shall be modified in an orderly fashion within a range of _____ to _____ per cent. In the conduct of day-to-day operations, account shall be taken of emerging financial market conditions, including the unsettled conditions in foreign exchange markets.

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 6-3/4-per-cent _____, so long as M-1

and M-2 appear to be growing over the ~~December-January~~ JANUARY-FEBRUARY period at annual rates within ranges of ~~2-1/2-~~to~~8-1/2~~ _____ TO _____ per cent and ~~6-~~to~~10~~ _____ 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 ~~6-1/2-~~to~~7~~ _____ TO _____ per cent. In the conduct of day-to-day operations, account shall be taken of emerging financial market conditions, including the unsettled conditions in foreign exchange markets.

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

Projected Federal Funds Rate

		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1978	QI	6-3/8	6-7/8	7
	QII	7½	7½	7½
	QIII	7-5/8	7-7/8	8-1/8
	QIV	7½	8	8½

Appendix II

Implied Velocity Growth Rates

<u>V_1 (GNP/M_1)</u>		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1978	I	6.4	6.5	6.6
	II	5.3	5.6	5.8
	III	5.5	5.4	5.2
	IV	6.9	6.5	6.2
<u>V_1 (GNP/M_2)</u>				
1978	I	5.3	5.3	5.1
	II	2.4	1.7	2.1
	III	1.2	1.9	2.3
	IV	3.2	3.6	3.6

Appendix III

Expansion in Reserves Over the Period
From QIV 1977 to QII 1978 Consistent
With Proposed Alternatives
(Seas. adj. annual rates)

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Nonborrowed Reserves	5.9	4.3	2.9
Total Reserves	7.8	6.9	6.2
Monetary Base	8.8	8.5	8.3

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

Appendix Table IV-1

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

Ending Period	Base Period												
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>
1975 I	0.7												
II	3.9	7.1											
III	5.0	7.2	7.3										
IV	4.4	5.6	4.9	2.5									
1976 I	4.1	4.9	4.2	2.7	2.9								
II	4.8	5.6	5.3	4.6	5.6	8.5							
III	4.7	5.4	5.1	4.5	5.2	6.4	4.4						
IV	5.0	5.6	5.4	5.0	5.6	6.5	5.6	6.7					
1977 I	4.9	5.4	5.2	4.9	5.3	6.0	5.1	5.5	4.3				
II	4.3	5.8	5.6	5.4	5.9	6.5	6.0	6.5	6.5	8.7			
III	5.7	6.2	6.1	5.9	6.4	7.0	6.7	7.3	7.5	9.2	9.7		
IV	5.8	6.3	6.2	6.0	6.5	7.0	6.8	7.3	7.4	8.4	8.3	7.0	
	* * * * *												
1978 IV													
Alt. A	5.7	6.1	6.0	5.9	6.2	6.5	6.3	6.5	6.5	6.8	6.5	5.8	5.5
Alt. B	5.6	6.0	5.9	5.8	6.1	6.4	6.2	6.4	6.3	6.6	6.3	5.6	5.2
Alt. C	5.6	5.9	5.8	5.7	6.0	6.3	6.1	6.3	6.2	6.5	6.1	5.4	5.0

^{1/} Based on quarterly average data.

Appendix Table IV-2

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

Ending Period	Base Period		<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>
	<u>74IV</u>	<u>75I</u>											
1975 I	5.8												
II	8.1	10.4											
III	8.9	10.4	10.5										
IV	8.3	9.2	8.5	6.6									
1976 I	8.7	9.4	9.1	8.4	10.2								
II	9.1	9.7	9.6	9.3	10.6	10.9							
III	9.1	9.7	9.5	9.3	10.2	10.2	9.4						
IV	9.6	10.2	10.1	10.0	10.9	11.1	11.2	13.1					
1977 I	9.7	10.2	10.1	10.1	10.8	10.9	10.9	11.7	10.3				
II	9.7	10.1	10.1	10.0	10.6	10.7	10.6	11.0	9.9	9.5			
III	9.8	10.2	10.1	10.1	10.6	10.7	10.6	10.9	10.2	10.1	10.7		
IV	9.6	9.9	9.9	9.8	10.2	10.2	10.1	10.3	9.6	9.2	9.2	7.8	
* * * * *													
1978 IV													
Alt. A	9.4	9.6	9.6	9.5	9.7	9.7	9.6	9.6	9.1	9.0	8.9	8.5	8.7
Alt. B	9.3	9.5	9.4	9.4	9.6	9.5	9.4	9.4	8.9	8.7	8.6	8.2	8.3
Alt. C	9.2	9.4	9.3	9.2	9.4	9.4	9.2	9.2	8.7	8.5	8.3	7.8	7.8

^{1/} Based on quarterly average data.

Appendix Table IV-3

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

Ending Period	Base Period												
	<u>74IV</u>	<u>75I</u>	<u>75II</u>	<u>75III</u>	<u>75IV</u>	<u>76I</u>	<u>76II</u>	<u>76III</u>	<u>76IV</u>	<u>77I</u>	<u>77II</u>	<u>77III</u>	<u>77IV</u>
1975 I	8.0												
II	10.4	13.0											
III	11.5	13.3	13.7										
IV	11.1	12.2	11.8	9.9									
1976 I	11.3	12.1	11.8	10.9	11.9								
II	11.4	12.2	12.0	11.4	12.1	12.3							
III	11.5	12.1	11.9	11.5	12.0	12.1	11.9						
IV	12.0	12.5	12.5	12.2	12.8	13.1	13.5	15.2					
1977 I	11.9	12.5	12.4	12.2	12.6	12.8	12.9	13.5	11.8				
II	11.8	12.2	12.1	11.9	12.2	12.3	12.3	12.5	11.1	10.4			
III	11.9	12.3	12.2	12.0	12.3	12.4	12.4	12.6	11.7	11.7	13.0		
IV	11.8	12.2	12.1	11.9	12.2	12.2	12.2	12.3	11.6	11.5	12.1	11.2	
1978 IV													
Alt. A	11.2	11.4	11.3	11.2	11.3	11.2	11.1	11.0	10.5	10.3	10.3	9.8	9.4
Alt. B	11.1	11.3	11.2	11.0	11.1	11.0	10.8	10.7	10.2	10.0	9.9	9.3	8.8
Alt. C	10.9	11.1	11.0	10.8	10.8	10.7	10.6	10.4	9.9	9.6	9.5	8.8	8.2

^{1/} Based on quarterly average data.

APPENDIX V

The following table compares M-2 and M-3 growth patterns (and their respective interest-bearing components) with and without a one-half percentage point increase in the ceiling rate on small denomination time deposits. ^{1/} All data in the table are per cent changes at seasonally adjusted annual rates.

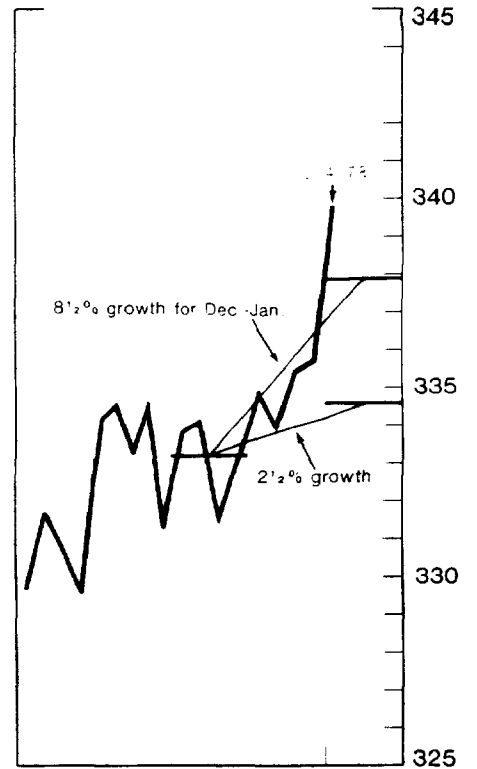
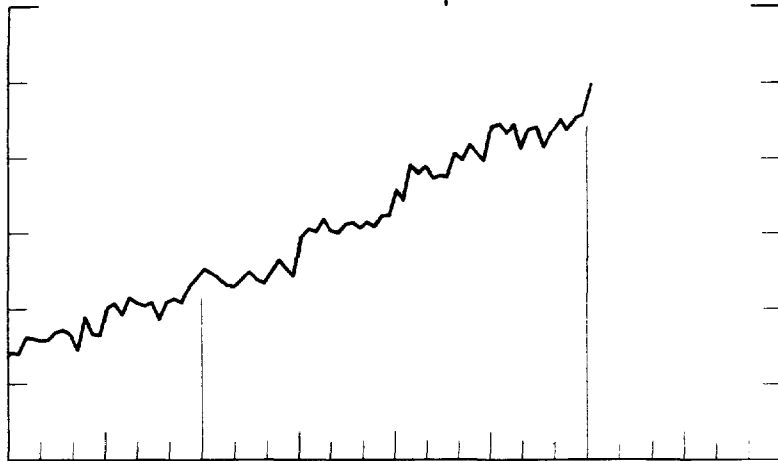
	Without a change in ceiling rate			With a ^{1/} change in ceiling rate		
	A	B	C	A	B	C
	<u>Interest-bearing Component of M-2</u>					
1978--I	7.7	7.5	7.5	7.7	7.5	7.7
II	8.6	8.0	7.5	10.6	11.6	10.9
III	8.8	8.5	7.7	12.6	11.1	9.9
IV	9.0	8.3	7.7	11.4	10.1	9.4
QIV '77 to QIV '78	8.9	8.3	7.8	11.0	10.5	9.9
	<u>M-2</u>					
1978--I	6.8	6.5	6.1	6.8	6.6	6.6
II	7.4	6.8	6.3	8.5	8.8	8.2
III	7.4	7	6.8	9.5	8.6	7.8
IV	7.6	7	6.9	8.9	8.1	7.8
QIV '77 to QIV '78	7.5	7.1	6.7	8.7	8.3	7.8
	<u>Thrift Deposits</u>					
1978--I	9.8	9.5	8.7	9.7	9.5	9.1
II	9.0	8.0	7.0	9.6	9.1	8.3
III	8.4	7.5	6.5	10.3	9.2	8.0
IV	8.5	7.5	6.6	10.4	9.2	8.1
QIV '77 to QIV '78	9.3	8.4	7.4	10.4	9.6	8.6
	<u>M-3</u>					
1978--I	8.0	7.7	7.2	8.0	7.8	7.6
II	8.1	7.3	6.6	9.0	8.9	8.2
III	7.9	7.3	6.7	9.9	8.9	7.9
IV	8.0	7.3	6.9	9.5	8.6	7.9
QIV '77 to QIV '78	8.2	7.6	7.0	9.4	8.8	8.2

^{1/} The staff has assumed that the deposit ceiling rate is increased in May under Alternative A, March under B, and February under C.

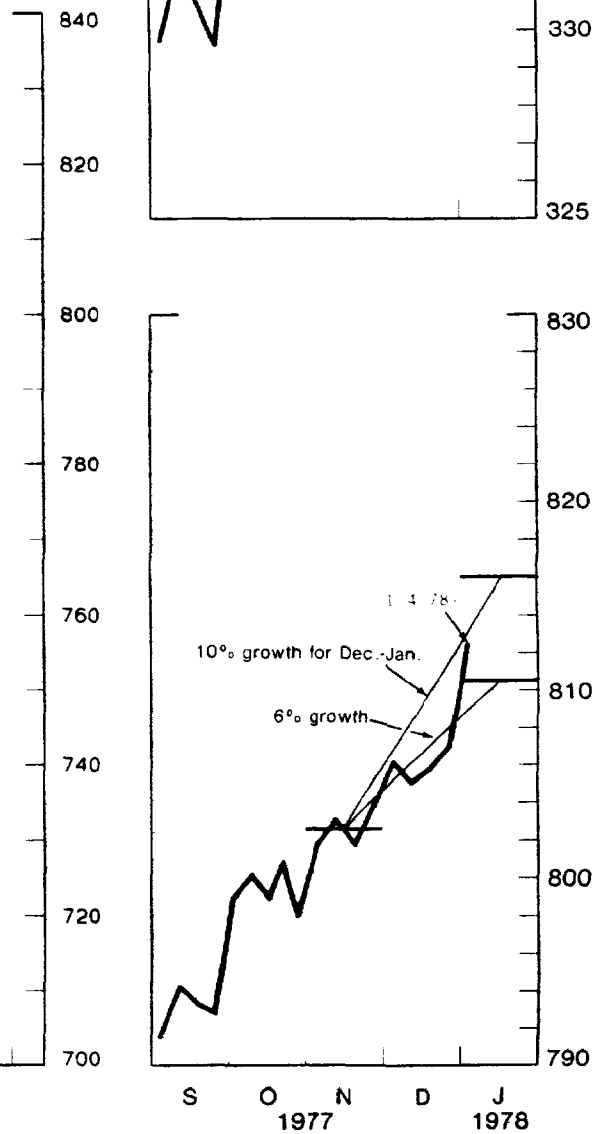
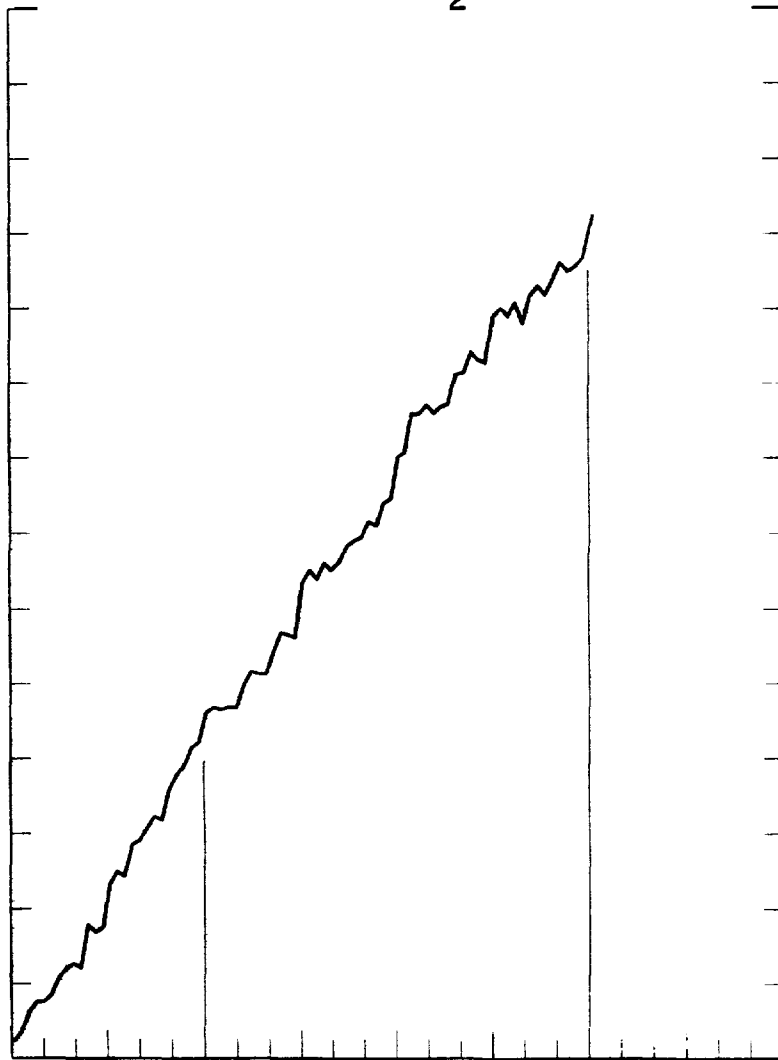
MONETARY AGGREGATES

NARROW MONEY SUPPLY M₁

BILLIONS OF DOLLARS



BROADER MONEY SUPPLY M₂



1976

1977

1978

S

O

N

D

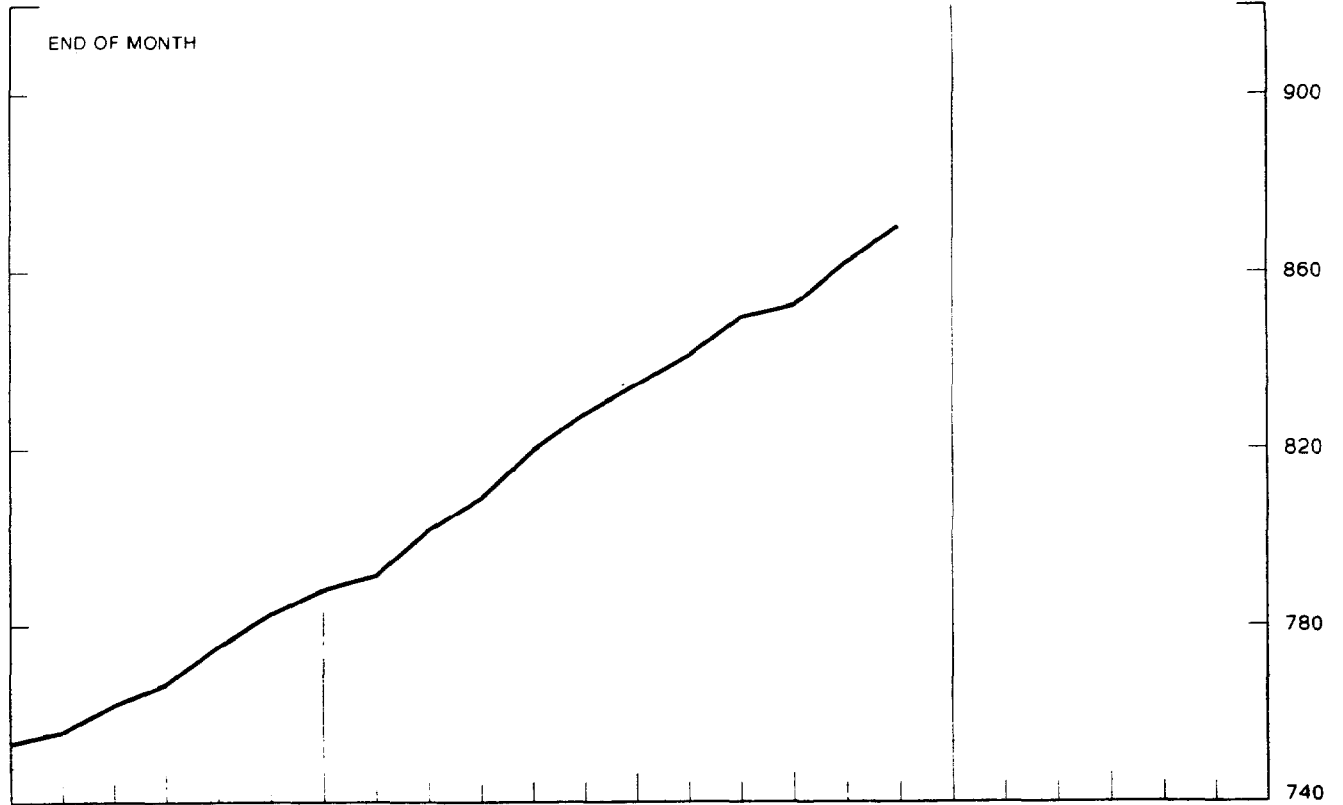
J

1977

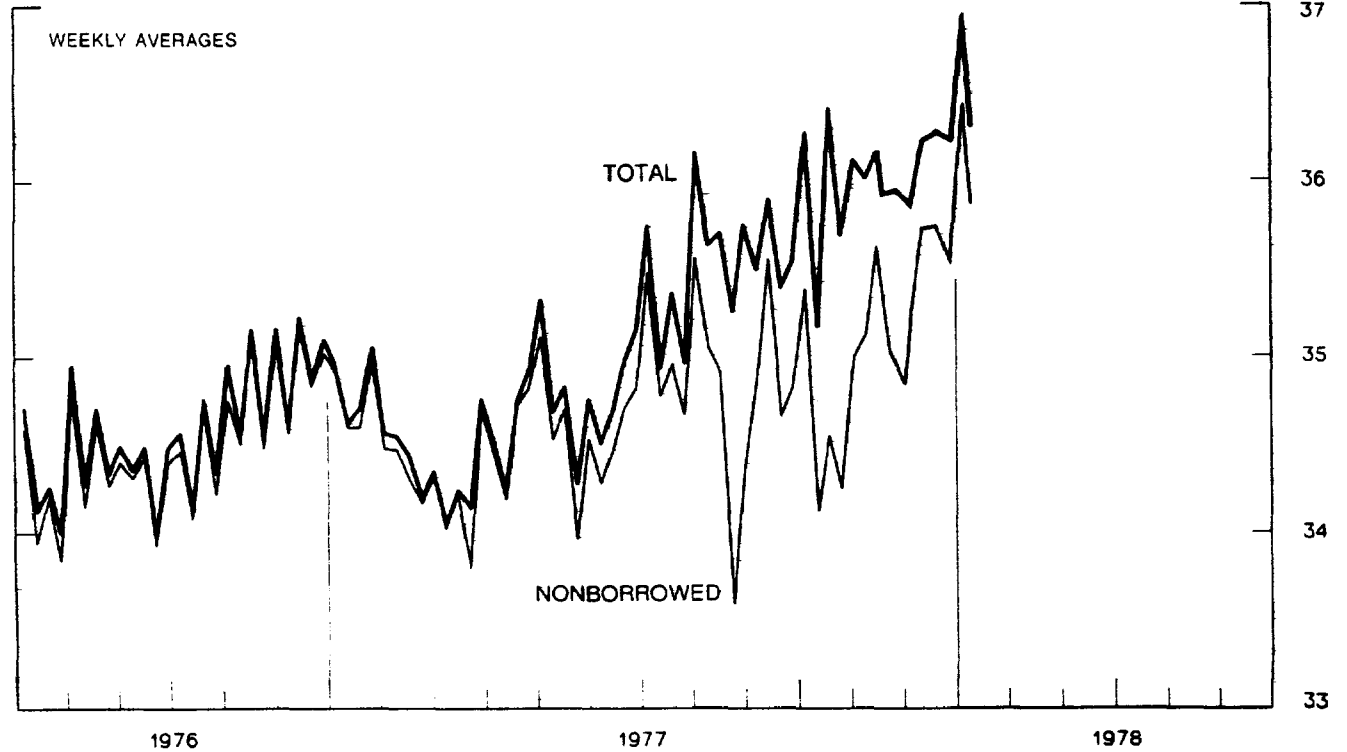
1978

MONETARY AGGREGATES

BANK CREDIT



RESERVES



MONEY MARKET CONDITIONS AND INTEREST RATES

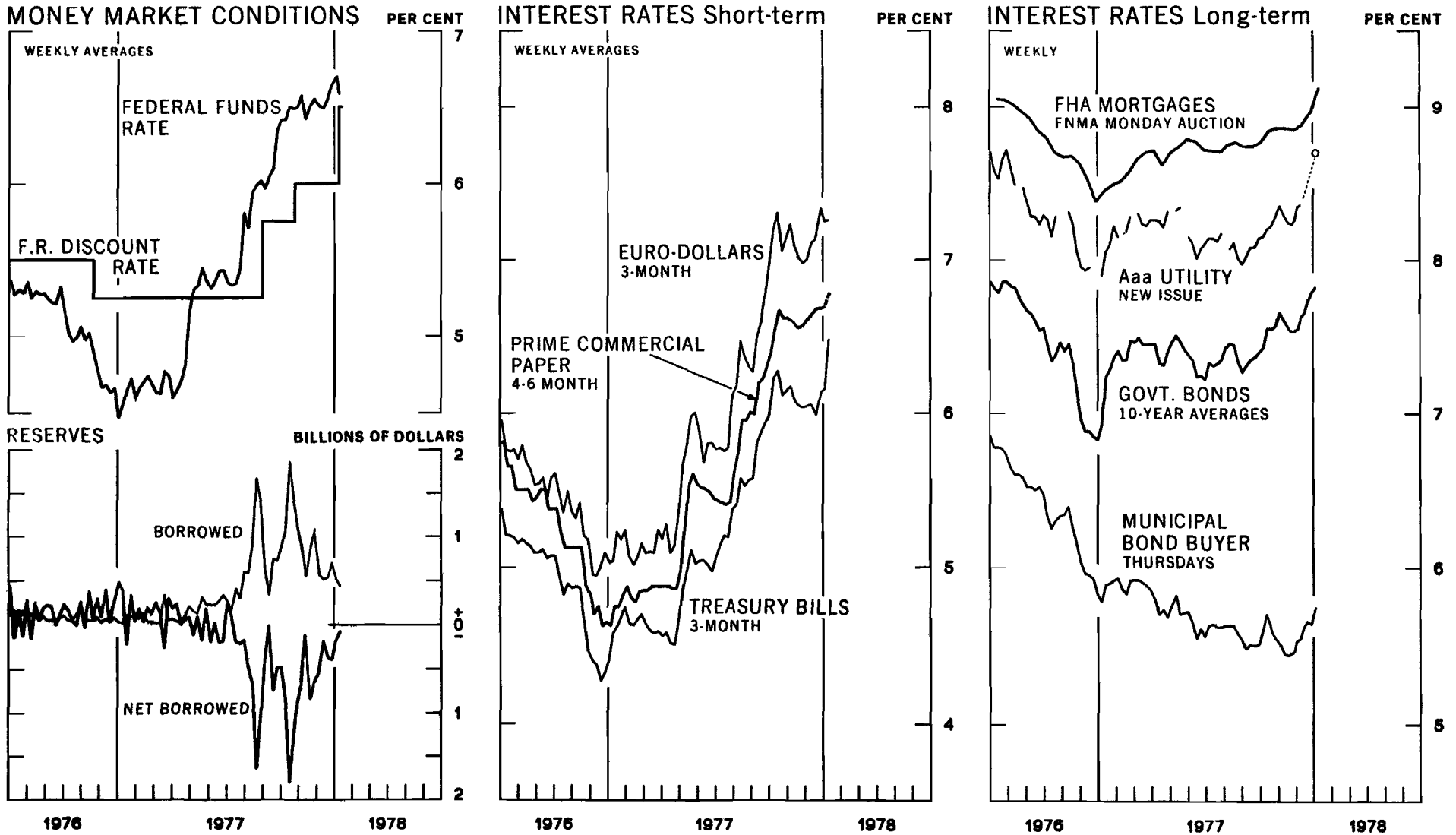


Table 1
MONETARY AGGREGATES

CONFIDENTIAL (FR)
 CLASS II-FOMC
 JAN. 13, 1978

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

Period	Money Supply		Total U S Govt. Deposits 1/	Time & Savings Deposits				CD's	Nondeposit Sources of Funds 2/
	Narrow (M1)	Broad (M2)		Total	Other Than CD's		Other		
					Total	Savings			
	1	2	3	4	5	6	7	8	9
MONTHLY LEVELS--\$BIL									
1977--OCT.	333.7	799.6	10.3	532.2	465.9	218.4	247.5	66.4	57.4
NOV.	333.2	802.6	6.7	540.3	469.4	218.3	251.1	70.9	60.0
DEC.	335.4	806.5	11.3	545.8	471.1	218.4	252.7	74.7	61.6
1978--JAN.	(337.2)	(810.9)	(10.5)	(551.4)	(473.7)	(218.8)	(255.0)	(77.6)	
% ANNUAL GROWTH									
QUARTERLY									
1977--2ND QTR.	8.2	8.8	-39.3	9.5	9.4	5.1	13.2	10.9	
3RD QTR.	10.6	10.4	23.8	8.5	10.4	9.6	11.1	-4.4	
4TH QTR.	6.1	6.9	22.4	15.2	7.3	1.1	12.9	72.8	
QUARTERLY-AV									
1977--2ND QTR.	8.4	9.2	-18.2	8.3	9.8	8.5	10.8	-1.9	
3RD QTR.	9.3	10.3	15.2	10.0	10.9	6.6	15.0	3.2	
4TH QTR.	6.8	7.6	-55.0	12.9	8.1	4.6	11.0	48.2	
MONTHLY									
1977--OCT.	12.0	10.1	-44.9	14.6	8.6	3.3	13.2	60.8	
NOV.	-1.8	4.5	-419.4	18.3	9.0	-0.5	17.5	81.3	
DEC.	7.9	5.8	823.9	12.2	4.3	0.5	7.6	64.3	
1978--JAN.	(6.4)	(6.5)	(-85.0)	(12.3)	(6.6)	(2.2)	(10.9)	(46.6)	
DEC.--JAN.	(7.2)	(6.2)	(340.3)	(12.3)	(5.5)	(1.4)	(9.3)	(56.7)	
WEEKLY LEVELS--\$BIL									
1977--DEC. 7	334.9	806.1	10.0	544.1	471.2	218.2	253.0	72.9	62.4
14	333.9	805.1	9.2	545.3	471.3	218.4	252.9	74.0	58.1
21	335.4	805.8	13.7	545.7	470.4	218.1	252.3	75.2	59.3
28	335.7	807.0	12.0	547.3	471.3	218.5	252.8	76.0	66.4
1978--JAN. 4	339.8	812.6	10.5	549.5	472.7	218.4	254.3	76.7	

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

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

CONFIDENTIAL (FR)
 CLASS II-FOMC

SEASONALLY ADJUSTED EXCEPT AS NOTED

JAN. 13, 1978

Period	Total Time and Savings	Savings Deposits				Time Deposits			Memo: Large Negotiable CD's
		Total	Individual and Nonprofit	Business (NSA)	Government (NSA)	Total	Large Denomination	Small Denomination	
	1	2	3	4	5	6	7	8	9
OUTSTANDING (\$ BILLIONS)									
1977--APRIL	505.7	211.9	195.3	9.8	6.8	293.8	133.4	160.4	61.6
MAY	509.2	212.7	196.3	9.9	6.6	296.4	133.5	162.9	62.3
JUNE	514.8	212.7	196.9	9.9	6.0	302.1	137.9	164.2	63.9
JULY	519.5	213.6	198.6	9.9	5.0	305.9	140.8	165.1	62.8
AUG.	522.5	216.2	201.4	10.1	4.8	306.3	141.0	165.3	63.2
SEPT.	525.8	217.5	203.3	10.1	4.4	308.0	142.0	166.0	63.2
OCT.	532.2	218.4	204.2	10.0	4.2	313.9	147.2	166.7	66.4
NOV.	540.3	218.3	204.5	10.1	3.7	322.0	156.6	165.4	70.9
DEC.	545.8	218.4	204.7	10.1	3.6	327.5	161.9	165.6	74.7
CHANGES (\$ BILLIONS)									
1977 YEAR	54.7	16.6	17.5	1.6	-2.5	38.2	24.5	13.6	11.4
QUARTERLY AVERAGE:									
1976--IV	14.3	11.8	8.4	1.4	1.9	2.5	-5.6	8.1	-3.1
1977--I	15.1	10.4	7.1	1.2	2.1	4.7	-0.2	4.9	0.3
II	10.4	4.4	4.4	0.7	-0.5	5.9	-1.4	7.3	-0.3
III	12.7	3.5	4.9	0.1	-1.8	9.3	6.4	3.0	0.5
IV	16.8	2.5	3.4	0.1	-0.9	14.4	13.9	0.4	7.6
MONTHLY AVERAGE:									
1977--JUNE	5.6	0.0	0.6	0.0	-0.6	5.7	4.4	1.3	1.6
JULY	4.7	0.9	1.7	0.0	-1.0	3.8	2.9	0.9	-1.1
AUG.	3.0	2.6	2.8	0.2	-0.2	0.4	0.2	0.2	0.4
SEPT.	3.3	1.6	1.9	0.0	-0.4	1.7	1.0	0.7	0.0
OCT.	6.4	0.6	0.9	-0.1	-0.2	5.9	5.2	0.7	3.2
NOV.	6.1	-0.1	0.3	0.1	-0.5	6.1	9.4	-1.3	4.5
DEC.	5.5	0.1	0.2	0.0	-0.1	5.5	5.3	0.2	3.8

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

TABLE 2
BANK RESERVES
ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

JAN. 13, 1978

Period	BANK RESERVES			REQUIRED RESERVES			
	Total Reserves	Nonborrowed Reserves	Monetary Base	Total Required	Private Demand	Total Time Deposits	Gov't. and Interbank
	1	2	3	4	5	6	7
MONTHLY LEVELS--\$MILLIONS							
1977--OCT.	35,897	34,591	126,109	35,686	21,384	12,456	1,846
NOV.	36,009	35,147	126,953	35,756	21,437	12,646	1,675
DEC.	36,219	35,650	127,922	36,016	21,454	12,854	1,709
1978--JAN.	(36,854)	(36,335)	(129,651)	(36,603)	(21,613)	(13,057)	(1,933)
PERCENT ANNUAL GROWTH							
QUARTERLY							
1977--2ND QTR.	6.5	4.6	8.2	7.3	3.9	6.1	
3RD QTR.	8.8	4.6	10.2	8.1	13.2	2.6	
4TH QTR.	6.6	7.4	8.9	6.8	3.3	15.0	
QUARTERLY--AV							
1977--2ND QTR.	3.0	1.9	7.2	3.5	3.0	4.0	
3RD QTR.	9.0	3.4	9.6	8.6	10.2	6.3	
4TH QTR.	5.7	3.0	8.7	5.8	4.9	8.6	
MONTHLY							
1977--OCT.	9.1	-14.1	9.3	9.1	5.9	6.6	
NOV.	3.7	19.3	8.0	2.4	3.0	18.3	
DEC.	7.0	17.2	9.2	8.7	1.0	19.7	
1978--JAN.	(21.0)	(23.1)	(16.2)	(19.6)	(8.9)	(19.0)	
DEC.--JAN.	(14.1)	(20.3)	(12.8)	(14.2)	(4.9)	(19.5)	
WEEKLY LEVELS--\$MILLIONS							
1977--DEC. 7	35,861	35,278	127,055	35,846	21,263	12,799	1,784
14	36,224	35,715	127,654	35,911	21,479	12,828	1,604
21	36,256	35,731	128,035	36,113	21,586	12,846	1,680
28	36,228	35,542	128,330	35,940	21,429	12,891	1,621
1978--JAN. 4	36,929	36,422	129,354	36,607	21,587	12,975	2,045
11	36,295	35,855	128,725	35,939	21,377	13,043	1,519

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

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

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
JANUARY 13, 1978

	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
1977	4,361	517	2,833	758	553	4,660	--	792	428	213	1,433	10,035	-2,892
1976--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
Qtr. II	2,126	109	526	171	152	959	--	406	251	68	726	3,666	4,175
Qtr. III	886	116	681	96	128	1,021	--	--	--	--	--	4,273	-2,331
Qtr. IV	186	99	628	166	108	1,001	--	386	177	145	707	-643	34
1977--July	-1,136	--	--	--	--	--	--	--	--	--	--	-1,159	-2,861
Aug.	636	--	--	--	--	--	--	--	--	--	--	552	-1,353
Sept.	1,385	116	681	96	128	1,021	--	--	--	--	--	4,881	1,883
Oct.	-1,877	--	--	--	--	--	--	--	--	--	--	-4,380	-6,530
Nov.	-736	--	--	--	--	--	--	--	--	--	--	-736	2,996
Dec.	2,798	99	628	166	108	1,001	--	386	177	145	707	4,474	3,568
1977--Nov. 2	-568	--	--	--	--	--	--	--	--	--	--	-569	-2,690
9	-376	--	--	--	--	--	--	--	--	--	--	-376	-4,479
16	--	--	--	--	--	--	--	--	--	--	--	--	-1,726
23	-360	--	--	--	--	--	--	--	--	--	--	-360	8,439
30	--	--	--	--	--	--	--	--	--	--	--	--	-1,167
Dec. 7	585	--	--	--	--	--	--	--	--	--	--	585	1,317
14	351	--	--	--	--	--	--	--	--	--	--	327	-4,553
21	425	99	628	166	108	1,001	--	--	--	--	--	1,425	6,709
28	1,438	--	--	--	--	--	--	386	177	145	707	2,145	3,099
1978--Jan. 4	--	--	--	--	--	--	--	--	--	--	--	-9	-4,526
11	-347	--	--	--	--	--	--	--	--	--	--	-347	-7,893
18													
25													
LEVEL--Jan. 11	42.6	14.7	27.2	10.4	7.1	59.4	1.3	4.1	1.6	1.0	8.0	109.9	-7.5

(in billions)

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

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

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

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

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

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

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

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
JANUARY 13, 1978

	U.S. Govt. Security Dealer Positions		Underwriting Syndicate Positions		Excess** Reserves	Member Bank Reserve Positions			
	Bills	Coupon Issues	Corporate Bonds	Municipal Bonds		Borrowing at FRB**		Basic Reserve Deficit**	
						Total	Seasonal	8 New York	38 Others
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	295	487	513	1,861	131	-9,151	-13,975
Low	1,729	-1,445	0	116	-111	20	8	-4,234	- 8,206
1976--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	1,650	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	213	206	30	-5,693	-10,175
June	4,752	206	142	217	154	262	54	-5,341	-10,332
July	3,899	-309	143	209	275	323	60	-6,391	-11,012
Aug.	2,533	-933	71	199	200	1,084	102	-5,581	-11,452
Sept.	4,812	-313	128	230	209	626	112	-7,333	-11,120
Oct.	4,142	-360	83	186	210	1,305	112	-6,480	-11,511
Nov.	3,617	610	36	210	251	863	83	-6,971	-11,825
Dec.	*4,257	*804r	195	367	203p	570p	55p	-7,407p	-11,305p
1977--Nov. 2	4,203	-203	0	124	265	1,113	104	-5,011	-11,554
9	3,662	547	40	140	155	887	87	-7,494	-13,734
16	4,428	426	21	306	417	534	81	-7,340	-12,638
23	3,326	575	48	271	-11	879	84	-7,447	-10,748
30	2,818	1,203	295	221	438	1,079	74	-6,165	-10,259
Dec. 7	3,397	1,026	160	281	15	583	70	-7,424	-12,292
14	5,059	447	283	420	313	509	56	-9,151	-11,736
21	*4,877	*256	121	487	145	527	53	-7,185	-12,335
28	*4,023	*1,375	116	428	288p	686p	53p	-6,165	-10,246
1978--Jan. 4	*4,416r	*1,247r	0	316	322p	507p	30p	-6,717p	- 8,603p
11	*5,625	*369	25p	260p	359p	440p	26p	-8,003p	-12,976p
18									
25									

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.

r Revised.

TABLE 5
SELECTED INTEREST RATES
(per cent)

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC
JANUARY 13, 1978

	Short-Term						Long-Term									
	Federal Funds	Treasury Bills		CD's New Issue-NYC	Comm. Paper	Bank Prime Rate	U.S. Govt.-Constant Maturity Yields			Corp.-Aaa Utility		Municipal	Home Mortgages			
		90-Day	1-Year	90-Day	90-119 Day	Rate	3-yr	7-yr	20-yr	New Issue	Recently Offered	Bond Buyer	Primary Conv.	FNMA Auc.	GNMA Sec.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)		
1976--High	5.58	5.53	6.32	5.75	5.90	7.25	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	4.50	4.63	6.25	5.65	6.33	7.23	7.93	7.84	5.83	8.70	8.39	7.57	
1977--High	6.65	6.27	6.62	6.70	6.66	7.75	7.39	7.70	7.99	8.36	8.48r	5.93	9.00	8.98	8.39	
Low	4.47	4.41	4.67	4.50	4.63	6.25	5.83	6.59	7.26	7.90	7.95	5.45	8.65	8.46	7.56	
1976--Dec.	4.65	4.35	4.64	4.50	4.66	6.35	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	4.68	4.72	6.25	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	4.70	4.76	6.25	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	4.72	4.75	6.25	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	4.67	4.75	6.25	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	5.16	5.26	6.41	6.55	7.26	7.74	8.33	8.31	5.75	8.83	8.74	8.04	
June	5.39	5.02	5.41	5.35	5.42	6.75	6.39	7.05	7.64	8.08	8.12	5.62	8.86	8.75	7.95	
July	5.42	5.19	5.57	5.28	5.38	6.75	6.51	7.12	7.60	8.15	8.12	5.63	8.95	8.72	7.96	
Aug.	5.90	5.49	5.97	5.78	5.75	6.83	6.79	7.24	7.64	8.04	8.05	5.62	8.94	8.76	8.03	
Sept.	6.14	5.81	6.13	6.01	6.09	7.13	6.84	7.21	7.57	8.07	8.07	5.51	8.90	8.74	8.02	
Oct.	6.47	6.16	6.52	6.53	6.51	7.52	7.19	7.44	7.71	8.23	8.22	5.64	8.92	8.82	8.16	
Nov.	6.51	6.10	6.52	6.56	6.54	7.75	7.22	7.46	7.76	8.28	8.25	5.49	8.92	8.86	8.19	
Dec.	6.56	6.07	6.52	6.65	6.61	7.75	7.30	7.59	7.87	8.34	8.38	5.57	8.96	8.94	8.27	
1977--Nov. 2	6.50	6.14	6.55	6.55	6.55	7.75	7.32	7.56	7.81	8.35	8.32	5.55	8.90	8.86	8.18	
9	6.58	6.17	6.58	6.60	6.57	7.75	7.24	7.47	7.80	8.29	8.26	5.51	8.93	--	8.21	
16	6.42	6.10	6.51	6.55	6.56	7.75	7.17	7.41	7.74	8.24	8.24	5.45	8.93	8.86	8.17	
23	6.51	6.06	6.48	6.55	6.52	7.75	7.19	7.42	7.73	8.23	8.19	5.45	8.93	--	8.18	
30	6.55	6.04	6.49	6.55	6.53	7.75	7.22	7.45	7.75	8.26	8.23	5.47	8.95	8.85	8.18	
Dec. 7	6.51	6.05	6.50	6.55	6.54	7.75	7.27	7.54	7.81	8.35	8.34	5.54	8.95	--	8.23	
14	6.49	6.06	6.51	6.70	6.60	7.75	7.27	7.56	7.84	8.36	8.38	5.55	8.95	8.89	8.24	
21	6.54	5.99	6.49	6.70	6.64	7.75	7.33	7.63	7.92	--	8.41	5.62	8.95	--	8.29	
28	6.65	6.14	6.58	6.65	6.66	7.75	7.39	7.70	7.99	--	8.48	5.66	9.00	8.98	8.39	
1978--Jan. 4	6.69	6.16	6.55	6.65	6.68	7.75	7.40	7.72	8.01	--	8.48	5.64	9.00	--	8.43	
11	6.58	6.48	6.81	6.87	6.69	8.00	7.72p	7.95p	8.18p	8.70p	8.66p	5.75	n.a.	9.13	8.54	
18																
25																
Daily--Jan. 5	6.56	6.20	6.58	--	6.64	7.75	7.39	7.71	8.00	--	--	--	--	--	--	
12	6.75p	6.56	6.94	--	6.74	8.00	7.72p	7.96p	8.18p	--	--	--	--	--	--	

NOTE: Weekly data for columns 1, 2, 3, 5, and 6 are statement week averages of daily data. Data in column 4 are 1-day Wednesday quotes. 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

Period	Bank Reserves ^{1/}			Bank Credit	Money Stock Measures						
	Total	Non-borrowed	Monetary Base	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
^{2/} ANNUALLY:	(PER CENT ANNUAL RATES OF GROWTH)										
1975	-0.2	3.2	5.9	3.9	4.4	8.3	11.1	6.5	9.7	10.5	10.1
1976	1.0	1.2	6.9	8.0	5.6	10.9	12.8	7.1	10.3	10.0	10.2
1977	5.2	2.8	8.5	10.9	7.4	9.6	11.6	9.8	11.7	11.3	11.4
^{2/} SEMI-ANNUALLY:											
2ND HALF 1976	3.6	3.7	6.8	8.9	5.5	10.9	13.1	8.0	11.1	10.3	10.4
1ST HALF 1977	2.9	2.3	7.0	11.6	6.4	9.7	10.8	9.0	10.3	10.2	10.4
2ND HALF 1977	7.4	3.2	9.2	9.7	8.2	9.0	11.7	10.2	12.4	11.9	11.7
QUARTERLY:											
1ST QTR. 1977	-1.8	-2.4	5.1	10.6	3.8	8.5	10.0	7.3	9.2	10.1	10.5
2ND QTR. 1977	6.5	4.6	8.2	12.6	8.2	8.8	9.9	9.1	10.0	9.7	9.9
3RD QTR. 1977	8.8	4.6	10.2	8.6	10.6	10.4	13.4	9.3	12.6	11.9	11.7
4TH QTR. 1977	6.6	7.4	8.9	8.3	6.1	6.9	9.2	11.7	12.1	11.7	11.5
QUARTERLY-AV:											
1ST QTR. 1977	2.7	2.6	6.8	9.5	4.2	9.9	11.3	9.3	10.9	10.7	10.8
2ND QTR. 1977	3.0	1.9	7.2	13.3	8.4	9.2	10.0	8.5	9.4	9.5	9.8
3RD QTR. 1977	9.0	3.4	9.6	9.8	9.3	10.3	12.4	9.7	11.9	11.4	11.3
4TH QTR. 1977	5.7	3.0	8.7	9.3	6.8	7.6	10.7	10.5	12.4	12.0	11.8
MONTHLY:											
1976--DEC.	4.9	5.6	7.7	8.6	7.7	13.1	13.4	13.4	13.7	10.5	10.3
1977--JAN.	10.9	10.4	10.6	4.7	5.4	9.7	11.4	8.7	10.8	10.9	11.0
FEB.	-13.1	-13.3	-0.2	15.9	0.8	7.1	8.9	7.0	8.7	11.4	11.7
MAR.	-3.1	-4.3	5.0	10.9	5.4	8.6	9.4	6.2	8.0	7.8	8.5
APR.	13.0	14.1	11.8	15.7	19.4	13.5	12.4	11.7	11.3	10.6	10.8
MAY	1.5	-3.1	6.2	12.0	0.7	4.7	7.3	5.4	7.6	7.7	7.9
JUNE	4.8	2.9	6.4	9.6	4.5	8.1	9.8	10.0	10.8	10.5	10.6
JULY	16.9	14.9	14.2	9.5	18.3	16.6	16.1	13.6	14.3	13.3	13.0
AUG.	9.8	-15.4	8.1	12.3	5.9	6.4	11.5	6.5	11.2	10.8	10.6
SEPT.	-0.5	14.6	8.2	3.8	7.3	7.9	12.3	7.5	11.7	11.4	11.2
OCT.	9.1	-14.1	9.3	13.5	12.0	10.1	12.5	13.6	14.7	14.0	13.8
NOV.	3.7	19.3	8.0	11.8	-1.6	4.5	7.5	10.5	11.0	10.7	10.5
DEC. P	7.0	17.2	9.2	-0.7	7.9	5.8	7.3	10.6	10.2	10.0	9.9

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

2/ BASED ON QUARTERLY AVERAGE DATA.

P - PRELIMINARY

MONEY AND CREDIT AGGREGATE MEASURES

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

Period	Bank Reserves 1/			Bank Credit	Money Stock Measures						
	Total	Non-borrowed	Monetary Base	Total Loans and Investments	M ₁	M ₂	M ₃	M ₄	M ₅	M ₆	M ₇
	1	2	3	4	5	6	7	8	9	10	11
ANNUALLY:											
1975	34,015	33,885	110,394	725.5	294.6	664.3	1092.6	746.5	1174.7	1308.3	1351.1
1976	34,465	34,412	118,054	788.2	312.4	740.3	1237.1	803.5	1300.3	1439.1	1488.8
1977	36,219	35,650	127,922	870.0	335.4	806.5	1373.9	881.2	1448.7	1601.7	1657.6
MONTHLY:											
1976--DEC.	34,465	34,412	118,054	788.2	312.4	740.3	1237.1	803.5	1300.3	1439.1	1488.8
1977--JAN.	34,778	34,710	119,100	791.3	313.6	746.3	1248.9	809.3	1312.0	1452.2	1502.4
FEB.	34,397	34,326	119,077	801.8	314.0	750.7	1258.2	814.0	1321.5	1466.0	1517.1
MAR.	34,308	34,204	119,572	809.1	315.4	756.1	1268.1	818.2	1330.3	1475.5	1527.8
APR.	34,660	34,606	120,749	819.7	320.5	764.6	1281.2	826.2	1342.8	1488.5	1541.6
MAY	34,723	34,517	121,376	827.9	320.7	767.6	1289.0	829.9	1351.3	1498.1	1551.8
JUNE	34,862	34,599	122,027	834.5	321.9	772.8	1299.5	836.8	1363.5	1511.2	1565.5
JULY	35,352	35,029	123,468	841.1	326.8	783.5	1316.9	846.3	1379.8	1528.0	1582.4
AUG.	35,641	34,580	124,297	849.7	328.4	787.7	1329.5	850.9	1392.7	1541.7	1596.4
SEPT.	35,627	35,001	125,144	852.4	330.4	792.9	1343.1	856.2	1406.3	1556.3	1611.3
OCT.	35,897	34,591	126,109	862.0	333.7	799.6	1357.1	865.9	1423.5	1574.5	1629.8
NOV.	36,009	35,147	126,953	870.5	333.2	802.6	1365.6	873.5	1436.5	1588.5	1644.1
DEC. P	36,219	35,650	127,922	870.0	335.4	806.5	1373.9	881.2	1448.7	1601.7	1657.6
WEEKLY:											
1977--NOV. 9	36,013	35,126	126,503		333.8	801.6		871.2			
16	36,158	35,624	127,038		334.1	803.0		873.6			
23	35,908	35,627	126,840		331.5	801.8		873.6			
30	35,926	34,853	127,456		333.2	803.8		876.3			
DEC. 7	35,861	35,278	127,055		334.9	806.1		879.0			
14	36,224	35,715	127,654		333.9	805.1		879.1			
21	36,258	35,731	128,035		335.4	805.8		881.0			
28P	36,228	35,542	128,330		335.7	807.0		883.0			
1978--JAN. 4P	36,929	36,422	129,354		339.6	812.6		889.3			

NOTES: WEEKLY DATA ARE DAILY AVERAGES FOR STATEMENT WEEKS. MONTHLY DATA ARE DAILY AVERAGES. WEEKLY DATA ARE NOT AVAILABLE FOR M₃, M₅, M₆, M₇, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

1/ BASED ON DATA ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS. DATA SHOWN IN MILLIONS OF DOLLARS.

P - PRELIMINARY

APPENDIX TABLE 2-A

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits					Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short Term U.S. Gov't Securities ^{1/}	Other Private Short-term Assets ^{1/}
			Total	Other Than CD's			CD's					
				Total	Savings	Other						
	1	2	3	4	5	6	7	8	9	10	11	12
(Per cent annual rates of growth)												
^{2/} ANNUALLY:												
1975	8.8	2.9	8.0	11.7	17.5	7.8	-6.1	15.5	19.4	6.2	33.4	-1.0
1976	9.6	4.3	8.1	15.2	25.0	7.7	-23.5	15.6	17.8	6.9	7.5	19.2
1977	9.5	6.7	11.4	11.1	10.5	11.7	12.9	14.2	20.1	7.0	9.9	12.1
^{2/} SEMI-ANNUALLY:												
2ND HALF 1976	8.0	4.6	9.7	15.2	19.8	11.3	-21.1	16.2	17.6	7.2	-1.4	15.2
1ST HALF 1977	8.5	5.7	10.5	12.1	15.0	9.5	0.0	12.2	16.1	6.4	12.5	16.5
2ND HALF 1977	10.0	7.5	11.6	9.6	5.6	13.2	25.9	15.2	22.2	7.3	6.8	7.1
QUARTERLY:												
1ST QTR. 1977	8.4	2.2	9.5	11.9	16.3	8.1	-7.0	12.0	16.4	6.1	31.1	20.9
2ND QTR. 1977	8.8	8.2	9.5	9.4	5.1	13.2	10.9	11.2	13.8	6.6	8.3	15.3
3RD QTR. 1977	11.4	10.1	8.5	10.4	9.6	11.1	-4.4	17.3	23.8	7.0	4.9	5.2
4TH QTR. 1977	9.3	4.9	15.2	7.3	1.1	12.9	72.8	11.9	19.8	7.9	8.1	6.5
QUARTERLY-AV:												
1ST QTR. 1977	7.5	3.1	12.5	14.0	21.1	8.0	1.9	13.3	16.7	6.7	11.1	12.9
2ND QTR. 1977	9.3	8.3	8.3	9.8	8.5	10.8	-1.9	10.9	15.0	6.1	13.6	19.5
3RD QTR. 1977	10.0	9.1	10.0	10.9	6.6	15.0	3.2	15.2	19.3	6.5	5.5	7.4
4TH QTR. 1977	9.8	5.8	12.9	8.1	4.6	11.0	48.2	14.6	23.9	8.0	8.1	6.6
MONTHLY:												
1976--DEC.	4.5	8.9	17.1	16.8	26.1	8.0	21.2	13.8	18.8	6.7	-44.9	4.8
1977--JAN.	8.9	4.1	11.0	12.9	23.2	4.2	-3.8	14.2	15.4	6.7	17.9	12.1
FEB.	10.4	-3.1	10.7	11.7	14.6	9.5	3.8	11.4	15.2	6.6	68.9	21.5
MAR.	5.9	5.7	6.7	10.7	10.4	10.5	-20.9	10.0	18.0	5.0	5.0	28.2
APR.	13.1	21.6	6.9	9.5	10.9	8.3	-11.6	10.4	11.8	6.6	3.3	18.4
MAY	7.2	-1.5	8.3	7.6	4.5	10.3	13.6	11.1	11.7	6.5	11.6	15.8
JUNE	5.7	4.6	13.2	10.7	0.0	20.5	30.8	11.8	17.4	6.5	9.9	11.2
JULY	15.7	18.7	11.0	15.4	5.1	24.7	-20.7	15.1	20.0	6.5	0.0	2.2
AUG.	5.6	6.0	6.9	6.8	14.6	0.0	7.6	18.3	19.7	6.4	6.5	6.6
SEPT.	12.6	5.4	7.6	8.6	8.9	8.4	0.0	17.8	30.4	8.0	8.1	6.6
OCT.	9.7	12.8	14.6	8.6	3.3	13.2	60.8	14.9	27.0	7.9	8.1	6.5
NOV.	9.6	-5.4	18.3	9.0	-0.5	17.5	81.3	11.3	18.5	7.9	8.0	6.5
DEC. P	6.2	7.3	12.2	4.3	0.5	7.6	64.3	9.1	13.0	7.8	7.9	6.5

^{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

JAN. 13, 1978

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Time and Savings Deposits				Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short-Term U.S. Gov't Sec ^{1/}	Other Private Short-term Assets ^{1/2/}	Non-Deposit Funds ^{3/}	Total Gov't Demand Deposits ^{4/}	
			Total	Other Than CD's										CD's
				Total	Savings	Other								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
ANNUALLY:														
1975	73.7	221.0	451.7	369.6	160.5	209.1	82.1	395.2	33.0	67.3	66.3	42.8	33.7	8.3
1976	80.5	231.9	491.1	427.9	201.8	226.0	63.3	457.8	39.0	71.9	66.9	49.7	51.4	11.2
1977	88.4	247.0	545.8	471.1	218.4	252.7	74.7	520.7	46.7	77.0	76.0	55.9	61.8	11.3
MONTHLY:														
1976--DEC.	80.5	231.9	491.1	427.9	201.8	226.0	63.3	457.8	39.0	71.9	66.9	49.7	51.4	11.2
1977--JAN.	81.1	232.7	495.6	432.5	205.7	226.8	63.1	463.2	39.5	72.3	67.9	50.2	49.9	10.0
FEB.	81.8	232.1	500.0	436.7	208.2	228.6	63.3	467.6	40.0	72.7	71.8	51.1	50.3	11.7
MAR.	82.2	233.2	502.8	440.6	210.0	230.6	62.2	471.5	40.6	73.0	72.1	52.3	51.4	11.2
APR.	83.1	237.4	505.7	444.1	211.9	232.2	61.6	475.6	41.0	73.4	72.3	53.1	50.8	10.8
MAY	83.6	237.1	509.2	446.9	212.7	234.2	62.3	480.0	41.4	73.8	73.0	53.8	54.6	10.6
JUNE	84.0	238.0	514.8	450.9	212.7	238.2	63.9	484.7	42.0	74.2	73.6	54.3	53.5	10.1
JULY	85.1	241.7	519.5	456.7	213.6	243.1	62.8	490.8	42.7	74.6	73.6	54.4	53.3	11.8
AUG.	85.5	242.9	522.5	459.3	216.2	243.1	63.2	498.3	43.4	75.0	74.0	54.7	55.6	10.2
SEPT.	86.4	244.0	525.8	462.6	217.8	244.8	63.2	505.7	44.5	75.5	74.5	55.0	57.7	10.7
OCT.	87.1	246.6	532.2	465.9	218.4	247.5	66.4	512.0	45.5	76.0	75.0	55.3	57.4	10.3
NOV.	87.8	245.5	540.3	469.4	218.3	251.1	70.9	516.8	46.2	76.5	75.5	55.6	60.0	6.7
DEC. P	88.4	247.0	545.8	471.1	218.4	252.7	74.7	520.7	46.7	77.0	76.0	55.9	61.6	11.3
WEEKLY:														
1977--NOV.														
9	87.6	246.2	537.4	466.0	218.2	249.8	69.4						56.1	6.6
16	87.7	246.4	539.5	468.9	218.3	250.6	70.5						58.1	6.3
23	87.7	243.8	542.2	470.3	218.2	252.2	71.8						63.4	6.5
30	88.1	245.1	543.2	470.7	217.9	252.7	72.5						63.3	6.1
DEC.														
7	88.0	246.9	544.1	471.2	218.2	253.0	72.9						62.4	10.0
14	88.1	245.7	545.3	471.3	218.4	252.9	74.0						58.1	9.2
21	88.5	246.9	545.7	470.4	218.1	252.3	75.2						59.3	13.7
28P	88.7	247.0	547.3	471.3	218.5	252.8	76.0						66.4	12.0
1978--JAN.	4P	88.7	251.2	549.5	472.7	218.4	254.3	76.7						10.5

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

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

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

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

P - PRELIMINARY

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Corrected Copy

Period	Currency	Demand Deposits	Time and Savings Deposits					Mutual Savings Bank & S&L Shares ^{1/}	Credit Union Shares ^{1/}	Savings Bonds ^{1/}	Short Term U.S Gov't Securities ^{1/}	Other Private Short term Assets ^{1/}
			Total	Other Than CD's			CD's					
				Total	Savings	Other						
	1	2	3	4	5	6	7	8	9	10	11	12
(Per cent annual rates of growth)												
ANNUALLY: ^{2/}												
1975	6.8	2.9	8.0	11.7	17.5	7.8	-6.1	15.5	19.4	6.2	33.4	-1.0
1976	9.6	4.3	8.1	15.2	25.0	7.7	-23.5	15.6	17.6	6.9	7.5	19.2
1977	9.5	6.7	11.4	11.1	10.5	11.7	12.9	14.2	20.1	7.0	9.9	12.1
SEMI-ANNUALLY: ^{2/}												
2ND HALF 1976	8.0	4.6	9.7	15.2	19.8	11.3	-21.1	16.2	17.6	7.2	-1.4	15.2
1ST HALF 1977	8.5	5.7	10.5	12.1	15.0	9.5	0.0	12.2	16.1	6.4	12.5	16.5
2ND HALF 1977	10.0	7.5	11.6	9.6	5.6	13.2	25.9	15.2	22.2	7.3	6.8	7.1
QUARTERLY:												
1ST QTR. 1977	6.4	2.2	9.5	11.9	16.3	8.1	-7.0	12.0	16.4	6.1	31.1	20.9
2ND QTR. 1977	8.8	8.2	9.5	9.4	5.1	13.2	10.9	11.2	13.8	6.6	8.3	15.3
3RD QTR. 1977	11.4	10.1	8.5	10.4	9.6	11.1	-4.4	17.3	23.8	7.0	4.9	5.2
4TH QTR. 1977	9.3	4.9	15.2	7.3	1.1	12.9	72.8	11.9	19.8	7.9	8.1	6.5
QUARTERLY-AV:												
1ST QTR. 1977	7.5	3.1	12.5	14.0	21.1	8.0	1.9	13.3	16.7	6.7	11.1	12.9
2ND QTR. 1977	9.3	8.3	8.3	9.8	8.5	10.8	-1.9	10.9	15.0	6.1	13.6	19.5
3RD QTR. 1977	10.0	9.1	10.0	10.9	6.6	15.0	3.2	15.2	19.3	6.5	5.5	7.4
4TH QTR. 1977	9.8	5.8	12.9	8.1	4.6	11.0	48.2	14.6	23.9	8.0	8.1	6.6
MONTHLY:												
1976--DEC.	4.5	8.9	17.1	16.8	26.1	8.0	21.2	13.8	18.8	6.7	-44.9	4.8
1977--JAN.	8.9	4.1	11.0	12.9	23.2	4.2	-3.8	14.2	15.4	6.7	17.9	12.1
FEB.	10.4	-3.1	10.7	11.7	14.6	9.5	3.8	11.4	15.2	6.6	68.9	21.5
MAR.	5.9	5.7	6.7	10.7	10.4	10.5	-20.9	10.0	18.0	5.0	5.0	28.2
APR.	13.1	21.6	6.9	9.5	10.9	8.3	-11.6	10.4	11.8	6.6	3.3	18.4
MAY	7.2	-1.5	8.3	7.6	4.5	10.3	13.6	11.1	11.7	6.5	11.6	15.8
JUNE	5.7	4.6	13.2	10.7	0.0	20.5	30.8	11.8	17.4	6.5	9.9	11.2
JULY	15.7	18.7	11.0	15.4	5.1	24.7	-20.7	15.1	20.0	6.5	0.0	2.2
AUG.	5.6	6.0	6.9	6.8	14.6	0.0	7.6	18.3	19.7	6.4	6.5	6.6
SEPT.	12.6	5.4	7.6	8.6	8.9	8.4	0.0	17.8	30.4	8.0	8.1	6.6
OCT.	9.7	12.8	14.6	8.6	3.3	13.2	60.8	14.9	27.0	7.9	8.1	6.5
NOV.	9.6	-5.4	18.3	9.0	-0.5	17.5	81.3	11.3	18.5	7.9	8.0	6.5
DEC. P	6.2	7.3	12.2	4.3	0.5	7.6	64.3	9.1	13.0	7.8	7.9	6.5

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.

D - PRELIMINARY