

H.14

August 24, 1959.

CAPITAL MARKET DEVELOPMENTS

(Including Monthly Review of Sources and Uses
of Funds of Financial Intermediaries)

During the week ending August 21, corporations sold large issues totaling \$75 million and a State and local government issue for \$50 million was also sold. The latter, a revenue bond offering by the New York State Thruway Authority, was sold at a net interest cost of 4.20 per cent; this issue had previously been offered in May, but the Authority at that time rejected a bid indicating a net interest cost of 4.30 per cent.

This week, two large corporate issues with aggregate proceeds of \$190 million are scheduled for sale, including a \$125 million GMAC debenture issue, which is expected to be sold late in the week. No large State and local government issues are expected.

Bond yields - Changes in yields on outstanding bonds were mixed last week, but minor. Yields on U. S. Government obligations increased slightly, while those on corporate and high-grade State and local government bonds remained stable and those for lower grade State and local government bonds declined slightly.

Yields on new corporate bonds have also shown little change recently. A new Aa-rated, first mortgage electric utility bond issue was offered to investors last week to yield 4.80 per cent -- 5 basis points below that for the last comparable issue, an offering made in early August.

Mortgage recordings - Recordings reached nearly \$3 billion in June, an all-time high, with conventional activity accounting for three-fourths of the total for the second straight month, a larger proportion than earlier in the year. Savings and loan associations continued to make a larger share of all recordings, and accounted for 42 per cent of the total in June. Recordings in May, after allowance for seasonal influences, rose to a record annual rate of \$33.1 billion, one-third above a year earlier.

Stock market credit: a correction - As a result of an error in transmission, it was incorrectly reported last week that customers' debit balances, excluding those secured by U. S. Government obligations, rose \$31 million in July. Customers' debit balances actually declined \$14 million last month. Corrected data are shown in Exhibit D.

Stock prices - Stock prices, as measured by Standard and Poor's index of 500 common stocks, continued to decline last week, closing at 59.08 on August 21. As in the preceding week, part of a sharp decline in prices early in the week was recovered before the close. The volume of trading also declined, averaging 2.4 million shares a day.

Institutional investors - Total savings inflow during June at three major financial institutions was larger than a year earlier but by a smaller amount than in earlier months of the year. The increase in share capital at savings and loan associations continued more rapid than a year earlier and was one-sixth larger in June than a year ago. The increase in life insurance company assets was about the same as in June 1958 while growth in deposits at mutual savings banks continued to increase much less (one-third) than a year earlier.

For the first half, the combined growth in savings at these three institutions was slightly larger (three per cent) than in the comparable period of 1958. Savings capital at savings and loan associations increased a record \$4.5 billion this year, two-fifths larger than in the first six months of last year; life insurance company assets increased \$3.0 billion, one-tenth more, but the increase in deposits at mutual savings banks--\$1.1 billion--was more than one-fourth smaller than in the first half of 1958. (The increase in time deposits at commercial banks has also been much less than the very rapid growth last year.)

Life insurance companies invested most of the increase in the inflow of funds this year in corporate and State and local government securities. Net acquisitions of business securities, totaling \$1.3 billion, were one-sixth larger in the first six months of this year than in 1958 and the \$300 million increase in holdings of State and local government securities was nearly twice as large as last year. Net mortgage acquisitions were about the same as in the first half of 1958.

Net acquisitions of mortgages by savings and loan associations in the first half of the year were a record \$3.7 billion, two-thirds greater than a year earlier. In order to acquire this volume of mortgages, associations increased their borrowing in the first half in contrast to the usual seasonal repayment. Most of the borrowing was from the Federal Home Loan Banks whose advances to associations increased to a record level. Savings and loan associations increased their holdings of U. S. Government obligations by nearly \$600 million, about four times more than a year earlier, but reduced their cash balances by over \$200 million, compared with an increase in cash of almost \$600 million in 1958.

Sources and Uses of Funds of Major Types of Savings Institutions 1/

First six months 1953-1958

(In millions of dollars)

Year	Uses of funds						Total sources or uses	Sources of funds		
	Cash	U. S. Govt. securities	Business securities	Mortgages	State & local govt. sec.	Other assets		Net change in deposits or savings capital	Borrowing	Other
Life Insurance Companies										
1959	-165	41	1,336	797	306	690	3,005	--	--	--
1958	-87	55	1,141	789	160	641	2,699	--	--	--
1957	-137	-207	1,096	1,190	59	570	2,571	--	--	--
1956	-178	-625	1,048	1,859	149	363	2,616	--	--	--
1955	-136	25	968	1,556	124	365	2,902	--	--	--
1954	-124	-424	1,135	1,109	363	692	2,751	--	--	--
1953	-191	-165	1,502	976	69	178	2,369	--	--	--
Savings and Loan Associations										
1959	-230	596	--	3,724	n.a.	459	4,548	3,485	231	832
1958	594	156	--	2,284	n.a.	195	3,229	3,108	-343	464
1957	-60	347	--	2,105	n.a.	408	2,798	2,578	-166	386
1956	-27	304	--	2,191	n.a.	300	2,762	2,656	-279	385
1955	-12	256	--	2,878	n.a.	182	3,304	2,603	301	400
1954	311	36	--	1,835	n.a.	130	2,312	2,282	-214	244
1953	44	210	--	1,703	n.a.	110	2,064	1,945	-146	265
Mutual Savings Banks										
1959	-96	104	-3	969	51	64	1,089	876	--	213
1958	29	-163	525	996	42	70	1,499	1,293	--	206
1957	-49	-108	402	721	10	58	1,034	876	--	158
1956	-48	-163	116	1,147	30	65	1,147	997	--	150
1955	-37	-73	-38	1,155	56	40	1,106	975	--	130
1954	4	-167	226	933	125	64	1,185	1,042	--	143
1953	-51	42	285	726	53	44	1,100	1,007	--	93

n.a.--Not available.

1/ For description of data see exhibits J, K, and L.

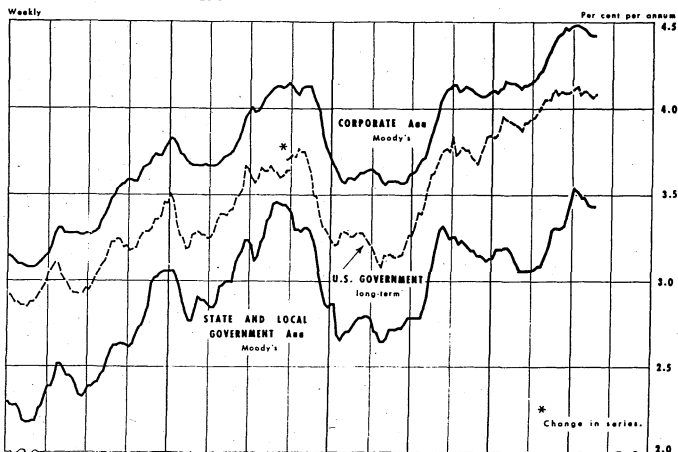
Despite the reduced inflow of savings to mutual savings banks, these institutions increased their holdings of mortgages by \$1.0 billion in the first six months of the year, about the same as a year earlier. There was a slight reduction, however, in holdings of business securities contrasted with net acquisitions of these securities last year of over \$500 million. Mutual savings banks increased their holdings of U. S. Government obligations \$100 million in the first half of 1959 compared with net liquidation in the first half of most earlier years, but the increase in U. S. Government holdings was about offset by a reduction in cash.

More detailed information concerning recent capital market developments is presented in the attached exhibits.

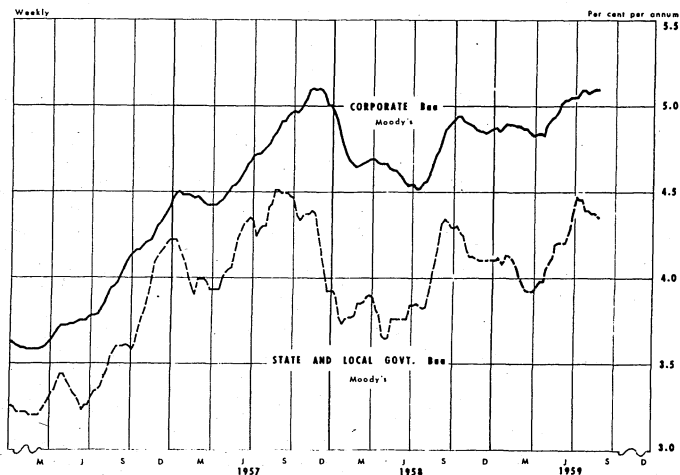
Capital Markets Section,
Division of Research and Statistics,
Board of Governors of the Federal Reserve System.

EXHIBIT A

HIGH-GRADE BOND YIELDS



LOWER-GRADE BOND YIELDS



Tables for Exhibit A
High-grade Bond Yields

Date	Corporate Aaa <u>1/</u>	U. S. Govt. long-term <u>2/</u>	State and local govt. Aaa <u>3/</u>	Spread between U. S. Govt. and	
				Corporate Aaa	State and local Aaa
(Per cent)					
1954 - Low	2.85 (4/23)	2.45 (8/6)	1.90 (9/2)	.30	.30
1957 - High	4.14 (9/27)	3.76 (10/18)	3.45 (8/29)	.60	.47
1958 - High	4.13 (10/10)	3.84 (12/26)	3.31 (9/11)	.51	.72
Low	3.55 (5/2)	3.07 (4/25)	2.64 (5/1)	.22	.34
1959 - High	4.48 (7/10)	4.13 (7/10)	3.54 (7/2)	.39	.92
Low	4.09 (1/9)	3.83 (1/2)	3.06 (3/26)	.16	.57
July 24	4.46	4.10	3.48	.36	.62
July 31	4.45	4.10	3.48	.35	.62
Aug. 7	4.43	4.08	3.44	.35	.64
Aug. 14	4.42	4.06	3.43	.36	.63
Aug. 21 <u>p/</u>	4.42	4.08	3.43	.34	.65

Lower-grade Bond Yields

Date	Corporate Baa 1/	State and local govt. Baa 3/	Spread between Aaa and Baa	
			Corporate	State and local govt.
		(Per cent)		
1954 - Low	3.44 (12/31)	2.93 (8/5)	.52	.96
1957 - High	5.10 (11/29)	4.51 (8/29)	1.27	1.21
1958 - High	4.96 (1/3)	4.34 (9/11)	1.28	1.11
Low	4.51 (7/11)	3.64 (5/1)	.77	.93
1959 - High	5.09 (8/21)	4.46 (7/2)	.77	.98
Low	4.83 (4/17)	3.92 (3/26)	.56	.86
July 24	5.09	4.39	.63	.91
July 31	5.07	4.39	.62	.91
Aug. 7	5.08	4.37	.65	.93
Aug. 14	5.09	4.37	.67	.94
Aug. 21 p/	5.09	4.35	.67	.92

p/ Preliminary.

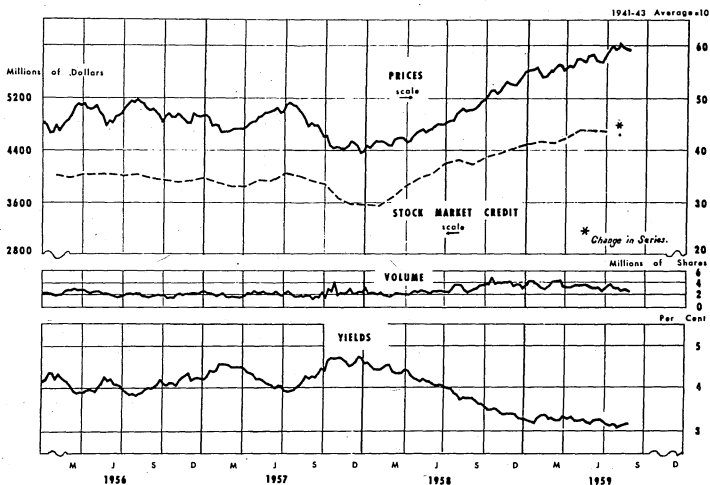
1/ Weekly average of daily figures. Average term of bonds included is 25-26 years.

2/ Weekly average of daily figures. The series includes bonds due or callable in 10 years or more.

3/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

Note.--Highs and lows are for individual series and may be on different dates for different series.

STOCK MARKET



MORTGAGE RECORDINGS AND LOANS

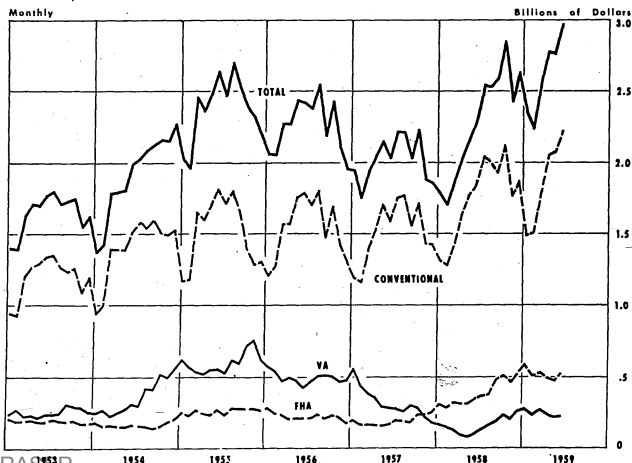


Exhibit D - Tables for Exhibit C

Stock Market

Date	Stock price index 1/	Common stock yields 2/ (per cent)	Trading volume 3/ (millions of shares)	Stock market customer credit		
				Total	Customers' debit bal- ances 4/	Bank loans to "others" 5/
(Millions of dollars)						
1953-1958 - High Low	54.11 (12/24/58)	3.30	4.9	4,492	3,285	1,317
	22.95 (9/18/53)	6.25	0.9	2,055	1,314	669
1959 - High Low	60.51 (7/31)	3.08	4.3	4,721	3,385	1,332
	54.37 (2/6)	3.34	2.4	4,527	3,253	1,210
June	57.46	3.23	2.9	4,692	3,388	1,304
July	59.74	3.12	3.2	4,648	3,374	1,274
July 31	60.51	3.08	3.0	n.a.	n.a.	1,274
Aug. 7	59.87	3.10	2.6	n.a.	n.a.	1,277
Aug. 14	59.29	3.14	2.8	n.a.	n.a.	1,264
Aug. 21 p/	59.08	3.16	2.4	n.a.	n.a.	n.a.

n.a.--Not available. p/ Preliminary.

1/ Standard and Poor's composite index of 500 common stocks, weekly closing prices, 1941-43-10. Monthly data are averages of daily figures rather than of Fridays' only. Highs and lows are for Fridays' data only.

2/ Standard and Poor's composite stock yield based on Wednesday data converted to weekly closing prices by Federal Reserve. Yields shown are for dates on which price index reached its high or low.

3/ Averages of daily trading volume on the New York Stock Exchange.

4/ End of month figures for member firms of the New York Stock Exchange which carry margin accounts; excludes balances secured by U. S. Government obligations.

5/ Wednesday figures for weekly reporting member banks. Excludes loans for purchasing or carrying U. S. Government securities. Prior to July 1, 1959, such loans are excluded only at banks in New York and Chicago. Weekly reporting banks account for about 70 per cent of loans to others. For further detail see Bulletin.

Nonfarm Mortgage Recordings and Loans 1/

Date	Total		Unadjusted		
	Seasonally adjusted 2/	Unadjusted	FHA	VA	Conv.
(Millions of dollars)					
1958 - June	2,192	2,275	343	98	1,835
July	2,291	2,543	368	127	2,048
Aug.	2,413	2,535	371	156	2,007
Sept.	2,488	2,596	480	189	1,927
Oct.	2,567	2,857	501	239	2,116
Nov.	2,652	2,432	457	216	1,759
Dec.	2,629	2,629	510	257	1,861
1959 - Jan.	2,677	2,353	585	276	1,491
Feb.	2,631	2,245	506	238	1,500
Mar.	2,683	2,586	530	261	1,796
Apr.	2,683	2,776	490	231	2,055
May	2,757	2,768	478	212	2,079
June	n.a.	2,974	521	221	2,233

n.a.--Not available.

1/ Total recordings data are estimates based on reports from about 450 areas and include mortgages of \$20,000 or less secured by nonfarm real estate, primarily residential properties. FHA-insured loans represent gross amount of insurance written, and VA-guaranteed loans the gross amount of loans closed on 1-4 family houses. Conventional data are derived as a residual, although total recordings and VA and FHA loans are not strictly comparable in concept or timing.

2/ Three-month moving average, seasonally adjusted by Federal Reserve.

Source: Federal Home Loan Bank Board, Federal Housing Administration and Veterans Administration.

**Long-term Corporate and State and Local Government
Security Offerings and Placements**

(In millions of dollars)

	New capital					
	Corporate 1/			State and local 2/		
	1959	1958 r/	1957	1959	1958	1957
January	840	728	1,060	636	812	742
February	745	857	1,065	856	953	572
March	631	1,553 3/	1,320	645	511	506
April	899	1,140	931	930	798	765
May	791	597	765	592	895	546
June	874	887	1,453	980	551	393
July	e/550	1,107	1,003	p/548	806	529
August	e/650	540	924	e/500	403	584
September		1,114	973		651	431
October		862	1,090		456	698
November		518	789		474	633
December		920	1,076		435	698
1st quarter	2,216	3,139	3,445	2,138	2,276	1,820
2nd quarter	2,564	2,623	3,149	2,501	2,244	1,704
3rd quarter		2,760	2,899		1,860	1,544
4th quarter		2,301	2,954		1,365	2,029
1st half	4,780	5,762	6,594	4,639	4,520	3,524
Three quarters		8,522	9,493		6,380	5,069
Year		10,823	12,447		7,746	7,099
Excluding finance companies 4/						
1st quarter	2,011	2,899	3,237			
2nd quarter	e/2,314	2,586	2,889			
3rd quarter		2,731	2,582			
4th quarter		2,213	2,810			
Year		10,429	11,518			

e/ Estimated.

p/ Preliminary.

1/ Securities and Exchange Commission estimates of net proceeds.

2/ Investment Bankers Association of America estimates of principal amounts.

3/ Includes \$718.3 million AT&T convertible debenture issue.

4/ Total new capital issues excluding offerings of sales and consumer finance companies.

Other Security Offerings 1/

(In millions of dollars)

	Long-term					
	Foreign government 2/			Federal agency 3/		
	1959	1958	1957	1959	1958	1957
January	77	196	84	199	1,163	72
February	59	53	49	--	251	--
March	2	--	30	175	--	--
April	56	139	123	--	523	125
May	50	198	48	--	--	--
June	42	120	42	--	--	60
July		9	28		164	--
August		5	7		--	--
September		17	30		--	215
October		58	4		220	--
November		123	60		--	100
December		74	1		--	--
Year		992	507		2,321	572
	Short-term					
	State and local government 4/			Federal agency 3/		
	1959	1958	1957	1959	1958	1957
January	190	233	326	359	371	638
February	428	460	455	500	208	430
March	295	273	147	489	144	505
April	563	357	205	486	209	336
May	411	354	337	675	161	469
June	245	264	153	289	329	501
July	p/245	289	272	727	437	224
August		423	272		206	370
September		369	252		330	512
October		231	303		454	1,238
November		415	94		114	255
December		243	459		137	116
Year		3,910	3,274		3,098	5,543

e/ Estimated.

p/ Preliminary.

1/ Data presented in this exhibit differ from those in Exhibit E in that refunding issues, as well as new capital issues, are included. Long-term securities are defined as those maturing in more than one year.

2/ Includes securities offered in the United States by foreign governments and their subdivisions and by international organizations. Source: Securities and Exchange Commission.

3/ Issues not guaranteed by the U. S. Government. Source: long-term, Securities and Exchange Commission; short-term, Federal Reserve.

4/ Principally tax and bond anticipation notes, warrants or certificates and Public Housing Authority notes. In some instances PMA notes included may have a somewhat longer term than one year. Source: Bond Buyer.

**Large Long-term Public Security Issues for New Capital
(Other than U. S. Treasury) 1/**

Proceeds of Large Issues Offered

(Millions of dollars)

Month	Corporate	State and local government	Other 2/
1958 - July	771	275	41
August	209	109	--
September	825	288	18
October	259	172	209
November	227	259	100
December	305	229	79
1959 - January	369	335	174
February	340	551	35
March	215	369	176
April	359	563	20
May	342	258	50
June	284	635	60
July	110	194	50

Large Individual Issues Offered August 1 through 21

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>CORPORATE</u>						
Pennsylvania Electric Co.	1st mtg.bds.	15.0	1989	5	4.85	Aa
Northern States Power Co.	Com. stk.	20.9				
Michigan Bell Telephone Co.	Deb.	30.0	1994	4 7/8	4.75	Aaa
Pan Amer. World Airways, Inc.	Conv. sub. deb.	47.0	1979	4 7/8	4.88	Ba
Consumers Power Co.	1st mtg.bds.	35.0	1989	4 5/8	4.61	Aaa
American & Foreign Power Co.	Conv. jr. deb.	15.0	1984	6	6.00	B
Houston Lighting & Pwr. Co.	1st mtg.bds.	25.0	1989	4 7/8	4.80	Aa
<u>STATE AND LOCAL GOVERNMENT</u>						
Commonwealth of Penna.	G.O.	120.0	1962-75/73	3.40	2.75-3.38	Aa
Los Angeles Sch. Dist., Cal.	G.O.	26.0	1900-84	3.72	2.50-3.80	Aa
State of Ohio	G.O.	30.0	1959-74	3.10	1.70-3.10	Aaa
Texas Wtr. Development Bd.	G.O.	10.0	1962-94/83	3.56	2.60-3.60	Aa
Nassau Co., New York	G.O.	26.2	1960-88	3.73	2.50-3.85	A
New York Thruway Auth.	Rev.-Ut.	50.0	1966-96/69	4.20	3.30-4.20	--
<u>OTHER</u>						
Federal Land Banks	Bds.	98.0	1962	4 7/8	4.75	--

Footnotes

n.a.--Not Available.

1/ Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$10 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.

3/ In the case of State and local government securities, G. O. denotes general obligations; Rev.-Ut., revenue obligations secured only by income from public utilities; Rev.-Q.Ut., revenue bonds secured only by revenue from quasi-utilities; Rev.-S.T., revenue bonds secured by revenue from specific taxes only; Rev.-Rent., revenue bonds secured solely by lease payments.

**Forthcoming Large Long-term Public Security Offerings for New Capital
(Other than U. S. Treasury) 1/**

Expected Proceeds from Forthcoming Large Issues

Date of computation	During month following date shown			Subsequent to date shown		
	Corporate	State and local govt.	Other 2/	Corporate	State and local govt.	Other 2/
1958 - July 31	161	55	--	381	125	--
Aug. 29	785	241	--	914	435	--
Sept. 30	113	295	--	216	524	--
Oct. 31	204	258	--	326	675	--
Nov. 28	301	229	71	401	683	71
Dec. 31	210	261	75	370	515	75
1959 - Jan. 30	270	551	45	365	856	45
Feb. 27	198	292	--	279	481	--
Mar. 31	396	550	20	476	761	20
Apr. 30	246	254	50	346	517	50
May 29	287	247	--	332	761	--
June 30	165	146	50	272	500	50
July 31	238	356	--	305	406	--

Forthcoming Large Offerings, as of August 21

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Pacific Gas & Electric Co.	1st & ref. mtg. bds.	65.0	Aug. 25
General Motors Acceptance Corp.	Deb.	125.0	Aug. 28
Associates Investment Co.	Deb.	50.0	Sept. 1
*Georgia Power Co.	1st mtg. bds.	18.0	Sept. 18
*Hooker Chemical Corp.	Conv. deb.	25.0	Sept. 30 (rights expire)
Union Electric Co.	Com. stk.	30.0	Sept. 30 (rights expire)
*American Telephone & Telegraph Co.	Deb.	250.0	Nov. 17
Commerce Oil Refining Corp.	Deb., bds. & com on	45.0	1959
<u>STATE AND LOCAL GOVERNMENT</u>			
Los Angeles, California	G.O.	12.5	Sept. 1
Allentown Co. San. Dist., Pa.	Rev.-Bt.	15.0	Sept. 2
*State of Connecticut	G.O.	60.5	Sept. 2
State of California	G.O.	50.0	Sept. 10
Chesapeake Bay Ferry Commission	Rev.-Bt.	150.0	Summer
<u>OTHER</u>			
None			

Footnotes

*--Included in table for first time.

1/ Includes corporate and other issues of \$15 million and over; State and local government issues of \$10 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.

Note.--Deletions for reasons other than sale of issue: None.

Yields on New and Outstanding
Electric Power Bonds, hated Aa and A 1/

Date	Aa-rated offering yields		A-rated offering yields	
	Actual (per cent)	Amount above seasoned yields (basis points)	Actual (per cent)	Amount above seasoned yields (basis points)
1952 - 1958				
High	5.00 (9/14/57)	87	5.50 (11/7/57)	123
Low	2.93 (3/31/54)	-3	3.00 (3/17/54)	-15
1959 - Jan. 7			4.75 ^{2/}	23
20	4.60	34		
28	4.65	40		
Feb. 18	4.35 ^{2/}	4		
Mar. 11	4.40 ^{2/}	11		
25	4.43	9		
26	4.43	9		
31	4.47	13		
Apr. 3			4.67	18
15	4.60	22		
16	4.59 ^{2/}	21		
29	4.55 ^{2/}	7		
May 1			4.85	17
13			5.06	13
14	4.95	38		
20	4.95	34		
21			5.13	27
26	5.00	38		
June 4	4.95	29		
17			4.92 ^{3/}	6
26			5.10	24
July 9			5.10	19
10	4.93	31		
15			5.10	19
30			5.00	13
Aug. 5	4.85	24		
20	4.90	22		

*--Single observation, not an average.

1/ Covers only 30-year first mortgage bonds, as reported in Moody's Bond Survey. Except where indicated, the actual yield figure and the amount above seasoned yields are averages of offerings during the indicated period and of the differences between these new offering yields and yields on seasoned issues of similar quality for the same day. Average maturity for the seasoned issues varies from 26 to 28 years.

2/ Provides for a 5-year period during which issue may not be called for refunding at a lower coupon rate. Monthly averages so marked include one or more issues with such a provision. Other issues have no such provision.

3/ Provides for a 7-year period during which issue may not be called for refunding at a lower coupon rate.

H.14

Exhibit J

Sources and Uses of Funds by
Life Insurance Companies

(In millions of dollars)

	Uses of Funds 1/						Total sources or uses
	Cash	U. S. Govt. secur- ities	Busi- ness secur- ities	State and local govt. secur- ities	Mort- gages	Other	
1957 - Apr.	28	11	172	10	172	34	427
May	-18	-79	169	26	186	135	419
June	59	-62	184	2	144	65	392
July	-9	5	324	14	163	87	584
Aug.	-30	-32	163	11	195	77	384
Sept.	47	-32	198	7	154	93	467
Oct.	-17	13	244	13	170	6	429
Nov.	22	-92	212	10	132	110	394
Dec.	138	-181	258	10	237	7	469
Value of Assets at End of Year	1,294	7,028	42,133	2,377	35,271	13,206	101,309
1958 - Jan.	-93	171	221	51	191	111	652
Feb.	-51	15	106	10	125	144	349
Mar.	20	-119	277	23	140	60	401
Apr.	-17	11	208	13	113	19	347
May	74	-70	135	28	116	167	450
June	-20	47	194	35	104	140	500
July	20	175	182	24	123	46	570
Aug.	-17	42	128	36	140	147	476
Sept.	-1	7	201	19	139	74	439
Oct.	-19	12	303	25	186	53	560
Nov.	52	25	133	31	146	100	467
Dec.	123	-139	394	13	303	185	879
Value of Assets at End of Year	1,365	7,205	44,615	2,685	37,097	14,452	107,419
1959 - Jan.	-83	280	185	59	114	171	726
Feb.	-57	-71	223	30	139	174	438
Mar.	-14	-185	251	66	136	108	362
Apr.	-24	22	242	49	116	80	485
May	19	-16	152	79	135	97	498
June	2	11	242	23	157	60	496

1/ Uses of funds represent net changes in assets and therefore reflect net, rather than gross, uses.

Source: Institute of Life Insurance.

Sources and Uses of Funds by
Savings and Loan Associations

(In millions of dollars)

	Uses of Funds 1/				Total sources or uses	Sources of Funds		
	Cash	U. S. Govt. secur- ities	Mort- gages 2/	Other assets		Net change savings capital	Borrow- ing 3/	Other
1957 - Apr.	-49	26	400	115	492	308	11	173
May	39	14	446	140	639	452	21	166
June	185	-40	421	31	597	821	101	-325
July	-320	41	407	-94	34	-52	-37	123
Aug.	-103	24	460	59	440	252	37	151
Sept.	11	26	357	56	450	324	47	79
Oct.	-18	-5	416	87	480	361	16	103
Nov.	86	23	278	60	447	378	10	59
Dec.	431	-65	253	-5	614	923	125	-434
Value of Assets at End of Year	2,146	3,173	40,049	2,770	48,138	41,912	1,379	4,847
1958 ^p - Jan.	-119	44	194	12	131	450	-377	58
Feb.	173	-19	247	8	409	373	-127	163
Mar.	209	-1	335	10	553	484	-89	158
Apr.	116	38	398	102	654	356	113	185
May	38	13	528	100	679	508	-32	203
June	177	81	582	-37	803	937	169	-303
July	-297	40	533	-80	196	62	-39	173
Aug.	-70	111	557	9	607	353	55	199
Sept.	-76	147	574	42	685	440	85	160
Oct.	-108	107	605	131	735	501	58	176
Nov.	44	50	465	102	661	477	41	143
Dec.	338	37	532	-44	863	1,073	215	-425
Value of Assets at End of Year	2,569	3,821	45,599	3,125	55,114	47,926	1,451	5,737
1959 - Jan.	-300	296	410	-53	353	434	-181	100
Feb.	-26	97	427	80	578	408	-57	227
Mar.	1	79	593	92	765	529	-5	241
Apr.	-183	106	704	153	780	420	98	262
May	28	23	750	181	982	604	63	315
June	249	-5	840	6	1,090	1,090	313	-313

^p/ Preliminary.

1/ Uses of funds represent net changes in assets and therefore reflect net, rather than gross, uses. Savings and loan associations do not hold business securities and data on holdings of State and local government bonds, presumed to be small, are not available.

2/ 1957 data adjusted to include mortgage pledged shares as currently reported.

3/ Advances from Home Loan Banks and other borrowing.

Source: Federal Savings and Loan Insurance Corporation.

Sources and Uses of Funds by
Mutual Savings Banks

(In millions of dollars)

	Uses of Funds 1/						Sources of Funds		
	Cash	U. S. Govt. secur- ities	Busi- ness secur- ities ^{2/}	State and local govt. secur- ities	Mort- gages	Other	Total sources or uses	Net change in deposits	Other
1957 - Apr.	-56	-76	63	2	121	-20	34	7	27
May	12	-19	62	2	127	62	246	169	77
June	71	-72	72	-1	118	-38	150	265	-115
July	-73	-7	62	7	122	-29	82	16	66
Aug.	-42	11	61	-3	111	28	166	90	76
Sept.	27	-17	55	2	103	18	188	206	-18
Oct.	-24	-136	60	-3	124	-41	-20	34	-54
Nov.	6	-136	93	7	100	38	108	36	72
Dec.	125	-26	75	-7	141	-9	299	405	-106
Value of Assets at End of Year	890	7,552	4,331	682	20,951	761	35,168	31,695	3,473
1958 - Jan.	-60	--	160	23	130	25	278	234	44
Feb.	63	-21	86	4	99	20	251	149	102
Mar.	36	41	86	6	165	9	343	336	7
Apr.	-47	-85	97	4	154	-29	94	93	1
May	-5	-62	120	-19	195	40	269	181	88
June	42	-36	-24	24	253	5	264	300	-36
July	-66	11	34	8	193	-28	152	88	64
Aug.	-5	19	8	2	198	29	251	143	108
Sept.	18	-27	34	2	181	29	237	267	-30
Oct.	-8	-92	-6	-3	195	-46	40	95	-55
Nov.	-38	-32	--	-1	151	43	123	42	81
Dec. r/	101	-2	47	-7	174	-3	309	418	-109
Value of Assets at End of Year ^{3/}	921	7,266	4,973	725	23,039	855	37,779	34,041	3,738
1959 - Jan. 3/	-96	119	-16	17	208	-58	175	122	53
Feb.	18	39	6	-4	125	32	216	113	103
Mar.	45	62	-31	41	175	38	330	313	17
Apr.	-114	-44	58	-33	155	-32	-10	6	-16
May	8	13	-20	10	161	45	217	120	97
June	43	-85	--	19	145	39	161	202	-41

1/ Uses of funds represent net changes in assets and therefore reflect, net rather than gross, uses.

2/ Includes Canadian government and political subdivisions, International Bank for Reconstruction and Development, non-guaranteed Federal agency and other bonds as well as corporate bonds and stocks.

3/ Adjusted to eliminate the effect of a merger of a large savings bank with a commercial bank.
Source: Nat. Assoc. of Mutual Savings Banks and Federal Deposit Insurance Corp.