

F E D E R A L R E S E R V E B O A R D.

STATEMENT FOR THE PRESS.

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CONDITION OF THE ACCEPTANCE MARKET, JULY 15 TO AUGUST 15, 1922.

According to reports received by the Federal Reserve Board from the Federal Reserve Banks of the various Districts, the acceptance market during the period under review, for the most part, continued dull with a disinclination on the part of banks to build up their portfolios at the present level of rates. The supply of bills, while limited, was sufficient to meet the small demand, except in the case of District No. 12 (San Francisco) towards the close of the period.

In District No. 2 (New York) both the supply and demand were irregular. During the first part of the period, they were approximately equal, but towards the close, bills came in somewhat faster than they could be distributed, inasmuch as New York City banks were practically out of the market for their own account and there was but a fair demand from banks in the interior. Rates for call money and Treasury certificates, together with the foreign demand, continued to be the dominant factors in the market. In District No. 3 (Philadelphia) a condition very similar to that in the New York District existed. That is to say, there was still a pronounced tendency on the part of banks to seek the higher returns which could be obtained from Government and other securities. In District

No. 1 (Boston), the market for the greater part of the period was slow and featureless. Supply of bills at first was limited, but later became ample to meet the demand.

In District No. 7 (Chicago), the volume of bills accepted by reporting banks during July showed a large increase over the preceding month, but the bills bought decreased approximately 80 per cent. The volume of bills held at the close of July, however, changed only slightly from that at the close of June. Ten of the twentyseven banks reporting showed no transactions in bankers' acceptances. Districts No. 11 (Dallas) and No. 12 (San Francisco) both report a considerable increase in the volume of the acceptance business. In the former, the acceptances outstanding July 31, amounted to \$879,783.08 as compared to \$516,610.50 on June 30, while in the latter District the total bills accepted during July increased 97.4 per cent over the June figures; those bought, 114.5; and the acceptance portfolios of reporting banks at the close of the month, 39.4 per cent. In this District the market from the middle of July to the middle of August was featured by a short period of activity, followed by a relapse to the previous state of dullness. The bulk of the demand was still from city banks. District No. 4 (Cleveland) reports the market very quiet while the same is true in Districts No. 6 (Atlanta) and No. 8 (St. Louis).

The bulk of acceptances executed in the various districts was based upon the importation of raw sugar, coffeee, and silks; the exportation of cotton, grain, and automobile tires; the storage of

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crude oil, canned goods, and wheat; and transactions in meats, canned or dried fruits, wool and hides.

In District No. 1 (Boston) 30-day acceptances moved best, and in Districts No. 3 (Philadelphia) and No. 4 (Cleveland) there was a preference for 30 and 60 day maturities. In District No. 2 (New York) local buyers showed a preference for short maturities, while longer bills found a readier market among country banks. In District No. 7 (Chicago) 75.1 per cent of the bills purchased by reporting banks had 90-day maturities; 7.7 per cent, 30-day; 7.0 per cent, 60-day; and 10.2 per cent, 180-day. District No. 12 (San Francisco) reports the distribution of maturities as follows:

Maturity	July 15 to August 15	June 15 to July 15
30 days	3.8%	10.4%
60 days	27.8%	34.6%
90 days	67.8%	49.0%
120 days	0.6%	6.0%

Rates on prime bills in the various districts were as follows:

		Range during period		Close	
	Maturity	Bid	Offered	Bid	Offered
District No. 1 (Boston)	30-day	3 - 3-1/8	3-7/8 - 3	3 - 1/8	3
	60-day	"	"	"	"
	90-day	"	"	"	"
	120-day	"	"	"	"
	150-day	"	"	"	"
	180-day	"	"	"	"
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District No. 2 (New York)	30-day	3 - 3-1/4	2-7/8 - 3	3-1/8 - 3-1/4	3
	60-day	"	"	"	"
	90-day	"	"	"	"
	120-day	3-1/8 - 3-1/4	3	"	"
	150-day	3-1/8 - 3-1/2	3 - 3-1/4	3-3/8 - 3-1/2	3 - 3-1/8
	180-day	"	"	"	"
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District No. 3 (Phila- delphia)	30-day	3-1/8 - 3-1/4	3	3-1/8 - 3-1/4	3
	60-day	"	"	"	"
	90-day	"	"	"	"
	120-day	"	3 - 3-1/8	"	3 - 3-1/8
	150-day	3-1/4 - 3-3/8	3 - 3-1/4	3 - 1/4 - 3-3/8	3 - 3-1/4
	180-day	3-1/4 - 3-1/2	"	3-1/4 - 3-1/2	"
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District No. 4 (Cleveland)	30-day	3-1/4 - 3-1/8	3	3-1/8	3
	60-day	"	"	"	"
	90-day	"	"	"	"
	120-day	"	"	"	"
	150-day	3-3/8 - 3-1/4	3-1/8	3-1/4	3-1/8
	180-day	"	"	"	"
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District No. 7 (Chicago)	30-day	3 - 3-1/4	2-7/8 - 3	3-1/8	3
	60-day	"	"	"	"
	90-day	"	"	"	"
	120-day	3-1/8 - 3-3/8	2-7/8 - 3-1/8	3-1/8 - 3-3/8	3 - 3-1/8
	150-day	"	3 - 3-1/8	"	"
	180-day	"	"	"	"