

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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For release in afternoon papers,  
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CONDITION OF THE ACCEPTANCE MARKET, AUGUST 15 TO SEPTEMBER 15, 1922.

According to the reports received by the Federal Reserve Board from the Federal Reserve Banks, the acceptance market during the period under review, for the most part, continued dull with a disinclination on the part of buyers to purchase bills at the present level of rates. The supply of bills in most centers was limited but ample to meet the slight demand.

In District No. 2 (New York) both the supply and demand were light. The market was very quiet although at times during the period dealers reported very good business. Rates for call money and Treasury Certificates, together with the foreign demand, continued to be the dominant factors. Dealers were cautious in their commitments and conducted mainly day to day trading operations while there was a continued tendency towards decreasing outside distribution of bills. Similar conditions are noted in District No. 1 (Boston) in which it is stated the supply of bills was larger than the market would absorb at the offered rates. District No. 3 (Philadelphia) likewise reports more or less

apathetic conditions, with inland and local banks displaying no inclination to buy.

District No. 7 (Chicago) reports a considerable decrease in acceptance transactions during August as compared with July. Bills accepted decreased 25 per cent and bills bought continued the decrease noted in the last report. The volume of bills sold declined for the third consecutive month, the decrease during the current month being 11.6 per cent, while bills held, after showing a gradual increase for the two preceding months, showed a decrease of 60 per cent at the end of August. Twelve of the 27 reporting banks in the District show no transactions in bankers' acceptances during the month.

In District No. 12 (San Francisco), which the latter part of the previous period experienced a shortage of bills, reports that new bills are being offered in good volume and this in conjunction with the offerings in other parts of the country has created a supply at least equivalent to the present demand. Acceptances executed in District No. 11 (Dallas) on August 31 amounted to \$476,241.06 as compared with \$879,783.08 on July 31 and \$516,610.50 on June 30. District No. 4 (Cleveland) reports the market continues to be very quiet and the same is true of Districts No. 6 (Atlanta) and No. 8 (St. Louis).

The bulk of the acceptances executed in the various Districts were based upon exportation of cotton, grain and meat; importation of sugar, coffee, silk, coal and rubber; warehousing of sugar and tobacco; transactions in wool and oil; and dollar exchange.

In District No. 1 (Boston) no bills moved easily, but the best demand was for short bills, especially those with maturities under 30 days. In District No. 4 (Cleveland) preference was for the shorter bills of 30 and 60 days, although there was some demand for 90-day bills. Maturity of purchases in District No. 7 (Chicago) were 30-day, 24.8 per cent; 60-day, 17.9 per cent; and 90-day, 57.3 per cent. District No. 12 (San Francisco) also reports the best demand for short bills and gives the distribution of maturities as follows:

<u>Maturities</u>	<u>August 15 to September 15</u>	<u>July 15 to August 15</u>
30 days	22.8%	3.8%
60 days	55.3%	27.8%
90 days	19.4%	67.8%
120 days	2.5%	0.6%

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

Rates on Prime Bills

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