

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

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CONDITION OF ACCEPTANCE MARKET

MARCH 15 TO APRIL 15, 1923.

The acceptance market during the period March 15 to April 15 was generally dull and inactive. A slight increase in the supply of bills characterized the early weeks of the period under review, but this was followed by a falling off in the volume of new bills in early April. The demand for bills was slow during March, but an improvement was noted in April that was sufficient to absorb the offerings. Bills of short maturities, 30 to 90 days, were generally preferred and were absorbed readily, while others moved more slowly. Banks were the principal buyers of acceptances, but individual as well as foreign investors were in the market.

Rates during March were fairly steady, but the increased supply of bills toward the end of March resulted in a slight advance in rates from 4 1/8 to 4 1/4 per cent. After the beginning of April, however, a slight easing of money resulted in dealers returning to a bid rate of 4 1/8 per cent.

The principal commodities against which bills were drawn were sugar, cotton, grain, and dollar exchange in the eastern districts, but bills drawn against canned fruit, agricultural implements, meats and provisions, and oils were evident in some western districts.