

FEDERAL RESERVE BOARD

X-3927

Statement for the Press

For Immediate Release

CONDITION OF ACCEPTANCE MARKET

November 15 to December 12.

Since the beginning of the crop-moving season the acceptance market has been characterized by an increased supply of bills drawn to provide funds for financing the distribution of agricultural commodities. During the period ending December 12 the supply continued large, as seasonal drawings to finance the marketing and exportation of cotton were particularly heavy. Bills were also drawn in considerable volume against grain, sugar, silk, coffee, wool, and to provide dollar exchange. The demand for bills has not increased in recent periods to the same extent as the supply and as a result dealers' aggregate portfolios have been larger than in any preceding month during the year. There was, however, a slight reduction on December 12 from the volume held on November 14. The demand during the latter part of November came principally from banks in the interior where funds resulting from crop returns had accumulated, and centered in bills with short maturities, but in December requests for longer maturities were noted. As a result of the large supply of bills which has come upon the market in the recent periods offerings to the Federal reserve banks have been larger and their portfolios showed a substantial increase. Rates continued firm and unchanged at $4 \frac{1}{8}$ to $4 \frac{1}{4}$ bid and 4 to $4 \frac{1}{8}$ offered for 30 to 90-day bills, while bills of 120 days ranged from $4 \frac{1}{4}$ to $4 \frac{3}{8}$ bid and $4 \frac{1}{8}$ to $4 \frac{1}{4}$ offered. These are practically the same levels that have been maintained throughout the year.

12/27/23