

## FEDERAL RESERVE BOARD

X-3979

## Statement for the Press

For Immediate Release

CONDITION OF ACCEPTANCE MARKET

January 10 to February 13.

The acceptance market during the four weeks ending February 13 was more active than for any period since early in the autumn. As a result of large takings by New York and Boston banks as well as those in the interior, the demand for acceptances increased rapidly in the early part of the period and the volume of bills distributed was larger than for any month in 1923 except April. The supply of new bills which came into the market increased during the first two weeks but declined somewhat in the remaining weeks. The total supply of new bills exceeded any month in 1923 with the exception of April and November. In fact, the supply increased more than the demand, and dealers' aggregate portfolios at the end of the period showed considerable increases and were at the highest point in over two years. Commodities against which bills were drawn were cotton, silk, grain, sugar, coffee, copper, wool, and packing house products. Cotton bills were in particularly large volume and the supply of bills drawn to finance the importation of sugar and coffee and the exportation of copper was also large.

Easier money conditions early in January resulted in lowering of dealers' offering rates to 4 per cent on all maturities up to and including four-month bills. The consequence, however, was to

cause the demand for bills to slacken and by the end of the period offering rates had been raised to  $4 \frac{1}{8}$  per cent on all maturities except 30-day bills which continued at 4 per cent. Rates on maturities of more than four months remained unchanged at  $4 \frac{3}{8}$  to  $4 \frac{1}{2}$  bid and  $4 \frac{1}{8}$  to  $4 \frac{3}{8}$  offered.