FEDERAL RESERVE BOARD

STATEMENT FOR THE PRESS

For Immediate Release July 26, 1924.

CONDITION OF ACCEPTANCE MARKET.

June 12 to July 9.

Continued easy money rates during the four-week period ending July 9 were the most significant factor affecting the acceptance market. During the closing weeks in June the call money rate continued at 2 per cent and as acceptances were offered to yield a slightly higher rate the demand was in excess of the supply of new bills coming into the market, which continued in only moderate volume. The result of these conditions was a substantial reduction in dealers' portfolios in the latter part of June and a gradual reduction in dealers' rates from 2-5/8 per cent bid and 2½ per cent offered to 2-1/8 per cent bid and 2 per cent offered. Late in June, however, call money advanced to 2½ per cent and this was immediately reflected in a very substantial falling off in the demand for bills, while the supply continued in about the same moderate volume. The period closed with a slight increase in dealers' portfolios from the preceding four weeks, but rates were lower. The closing quotations by dealers in New York for bills with 30 to 90 day maturities were 2-1/8 to 2-1/4 per cent bid and 2 per cent offered as compared with 2-5/8 per cent bid and 2½ offered for the period ending June 11. The demand for bills came principally from banks in the larger centers and the volume offered to the reserve banks was considerably smaller than in the preceding four weeks. Bills coming into the market were drawn principally against grain, silk, sugar, cotton, wool, and provisions.