FEDERAL RESERVE BOARD

Statement for the Press

X-4164

For Immediate Release September 27, 1924.

CONDITION OF ACCEPTANCE MARKET.

August 14 to September 10.

During the four-week period ending September 10 a continuation of low money rates and the increased demand for funds to meet the seasonal need for credit arising in connection with the marketing of cotton and grain, were the principal factors affecting the acceptance market. The supply of new bills which came into the market during the early part of the period was substantially larger than the demand and in view of ample money at low rates there was a substantial increase in dealers' aggregate portfolios. In the closing weeks of August and early in September when bills drawn to finance the seasonal movements of cotton and grain began to reach the market, dealers' offering rates were increased to 2 and 2 1/8 per cent for thirty day bills, and to 2 1/8 to 2 1/4 for sixty and ninety-day bills, in response to an increase in call money rates. After the advance in rates the demand for bills increased rapidly and early in September dealers' portfolios were gradually reduced and at the close of the period were smaller than at any previous month this year. The demand for bills from commercial banks was slightly less than in the preceding period, but sales to the reserve banks were larger. The principal commodities against which new bills were drawn were grain, sugar, cotton, silk, coffee, and provisions.

Rates in the New York market at the close of the period ranged from 2 1/8 to 2 1/4 per cent bid and 2 to 2 1/8 per cent offered for

30 day bills, to 2 3/8 to 2 1/2 per cent bid and 2 1/4 per cent offered for 90-day bills. Longer maturities were demanding higher rates but the greatest volume of bills which came into the market was drawn with 30 to 90-day maturities.