

STATEMENT FOR THE PRESS

For immediate Release

March 27, 1925

CONDITION OF ACCEPTANCE MARKET

February 18, 1925, to March 18, 1925.

With generally firmer money conditions during the latter part of February an increase in the supply of bills in the acceptance market was reported by dealers in New York and other cities. On February 27, following the advance in its rediscount rate, the New York Federal Reserve Bank raised its minimum buying rates on 60 and 90-day bills by $\frac{1}{8}$ per cent. Bill dealers in New York thereupon increased their rates and this was followed later by increases in dealers' rates in Chicago and other cities. The volume of bills in the New York market increased temporarily after the rise in rates and dealers' sales to the Federal Reserve Bank were large. During the two weeks preceding March 18, however, demand slightly exceeded supply in most centers, owing in part to increased purchases by out of town banks. For the whole period from February 18 to March 18 New York dealers' purchases exceeded their purchases during the preceding four weeks period by about 10 per cent and were larger than for any similar period in 1923 or 1924. Their sales to other investors than Federal reserve banks were less than in the preceding four weeks and their sales to Federal reserve banks three times as great. Dealers' portfolios on March 18 were almost 20 per cent smaller than on February 18. Bills drawn in transactions covering cotton were mainly in evidence with grain, silk, and copper next in importance. The bid and offered rates in the New York market on March 18 ranged from $3\frac{1}{4}$ - $3\frac{1}{8}$ per cent on 30-day bills and $3\frac{3}{8}$ - $3\frac{1}{4}$ per cent on 60 and 90-day bills to $3\frac{5}{4}$ - $3\frac{1}{2}$ per cent on 180-day bills.