FEDERAL RESERVE BOARD X-4368

STATEMENT FOR THE PRESS

For immediate release June 26, 1925.

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CONDITION OF ACCEPTANCE MARKET
May 21, 1925 to June 17, 1925.

Acceptances.

An increased demand for acceptances of longer maturities, together with a falling off in the supply of new bills followed the rise on May 20 from 3 1/8 to 3 1/4 per cent in the offering rate on 60-90 day acceptances in Chicago and New York. The result of this situation was that during the period from May 21 to June 17 demand was on the whole more nearly equal to supply and rates on 90-day maturities remained unchanged. Short bills at the end of the period were somewhat easier and longer maturities slightly firmer. The strongest demand was for 90-day bills, an actual scarcity of which was reported toward the end of the period, while 30-60 day bills remained in fair supply and composed the bulk of the dealers' portfolios. In the New York market after the rise in rate the excess supply noted in May was gradually reduced and at the end of the period dealers' portfolios were reduced to a new low point for the year, and offerings to the reserve banks were moderate. On June 12 in New York and on June 15 in Boston the buying rate of the Federal Reserve Bank was raised 1/8 per cent on 90-day bills. In Boston the supply continued in excess of demand through the first week in June, accompanied by heavy offerings to the reserve banks, a situation which was subsequently relieved by the improved demand during the latter part of the period. In Philadelphia the market was reported as relatively inactive. In Chicago supply was moderate, while demand showed considerable improvement over the preceding period.

Rates in the New York market on June 17 were 3 1/8 bid and 3 per cent offered on 30-day bills, 3 1/4 bid and 3 1/8 per cent offered on 60-day bills, 3 3/8 bid and 3 1/4 per cent offered on 90-day bills, with 3 5/8 to 3 3/4 bid and 3 1/2 to 3 5/8 per cent offered on the longest maturities.