

X-4608

F E D E R A L R E S E R V E B O A R D

STATEMENT FOR THE PRESS

For Immediate Release

May 25, 1926.

CONDITION OF ACCEPTANCE MARKET

April 15, 1926, to May 19, 1926.

Acceptances

The acceptance market was active in New York and Boston after the middle of April with rather limited supplies of bills moving freely at offered rates. Dealers lowered their rates on April 22 by $1/8$ per cent and again on April 23 by $1/4$ per cent, and on April 27 the Federal reserve banks reduced their buying rates for the first time since January. The market demand for bills at the new rates declined and during early May New York dealers' portfolios increased to the largest volume of holdings recorded, with larger sales to the Federal reserve banks. After May 18, when dealers raised their rates $1/8$ of one per cent on all maturities over 30 days, demand increased somewhat, and on May 20 Federal reserve banks further lowered their rates on bills of over 60 days maturity to an equality with offering rates in the market. In New York the average weekly purchases and sales of dealers during the whole reporting period from April 15 to May 19 were the largest since last October, but in Philadelphia and Chicago relatively quiet conditions prevailed. Bills chiefly in evidence in the Eastern markets involved transactions in silk, sugar, tobacco, and rubber, and in Chicago were based on a considerable variety of products, including grain, rubber, packing house products, and iron ore. The following table shows bill rates in the New York market at the beginning and end of the reporting period:

Acceptance Rates in the New York Market

Maturity	April 14, 1926		May 19, 1926	
	Bid	Offered	Bid	Offered
30 days	3 5/8	3 1/2	3 1/4	3 1/8
60 days	3 5/8	3 1/2	3 3/8	3 1/4
90 days	3 5/8	3 1/2	3 3/8	3 1/4
120 days	3 3/4	3 5/8	3 1/2	3 3/8
150 days	3 7/8	3 3/4	3 5/8	3 1/2
180 days	4	3 7/8	3 3/4	3 5/8