

FEDERAL RESERVE BOARD

STATEMENT FOR THE PRESS

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For immediate release

May 25, 1927

CONDITION OF ACCEPTANCE MARKET  
April 14, 1927 to May 18, 1927.

The total volume of transactions in the bill market was relatively heavy during the five weeks ending May 18, 1927, but rates for all maturities remained steady. The supply of bills was slightly larger than during either the preceding period or the corresponding period of last year and consisted principally of bills drawn against cotton, sugar, coffee, and tobacco. Over 55 per cent of total purchases by dealers during the period were made from acceptors.

Sales to the market were at about the same rate as in the preceding period but considerably smaller than during the corresponding period last year, with foreign purchases of 90-day maturities constituting an important element in the demand. Dealers' offerings to the reserve banks were also at about the same rate as in the preceding period but considerably larger than last year and consisted chiefly of short maturities. Dealers' aggregate portfolios increased somewhat during the period but remained well below the corresponding totals last year.

The New York market showed the greatest activity in contrast to Chicago, where the market remained quiet. Reports from Boston and Philadelphia indicated some quickening in the demand for short maturities during the latter part of April, but these markets also turned generally quiet during the first part of May. The following table shows the market rate on bills of various maturities at the beginning and end of the period.

Acceptance rates in the New York Market  
April 14 May 18

Maturity	<u>April 14</u>		<u>May 18</u>	
	<u>Bid</u>	<u>Offered</u>	<u>Bid</u>	<u>Offered</u>
30 days	3 5/8	3 1/2	3 5/8	3 1/2
60 days	3 3/4	3 5/8	3 3/4	3 5/8
90 days	3 3/4	3 5/8	3 3/4	3 5/8
120 days	3 7/8	3 3/4	3 7/8	3 3/4
150 days	3 7/8	3 3/4	3 7/8	3 3/4
180 days	4	3 7/8	3 7/8 -4	3 3/4 -3 7/8