

FEDERAL RESERVE BOARD

STATEMENT FOR THE PRESS

For immediate release:

November 26, 1927.

CONDITION OF ACCEPTANCE MARKET

October 13, 1927, to November 16, 1927.

The acceptance market in New York was exceptionally active during the five weeks ending November 16, with bills in larger supply than in any other period in recent years. The increase in the supply was especially marked in new bills drawn principally against cotton, grain, coffee, and silk. Demand was also large, but unequal to the supply during the early part of the period, with the result that on November 2 dealers' portfolios stood at the highest point since the middle of May, 1926. During the succeeding week, demand improved, however, and at the end of the period the volume of bills in the hands of dealers was considerably reduced. Purchases of bills by banks both for their own account and for account of foreign correspondents were especially heavy during the period. Rates were steady throughout the period with the exception of the first few days when quotations on bills of the longer maturities were slightly irregular. Increased activity also characterized the bill markets in Boston and Chicago. The following table shows rates in the New York market on bills of various maturities at the beginning and end of the reporting period.

ACCEPTANCE RATES IN THE NEW YORK MARKET

| Maturity | October 13 | | November 16 | |
|----------|--------------|--------------|-------------|-------|
| | Bid | Asked | Bid | Asked |
| 30 days | 3 1/8 | 3 | 3 1/8 | 3 |
| 60 days | 3 1/4 | 3 1/8 | 3 1/4 | 3 1/8 |
| 90 days | 3 3/8 | 3 1/4 | 3 3/8 | 3 1/4 |
| 120 days | 3 3/8 -3 1/2 | 3 1/4 -3 3/8 | 3 1/2 | 3 3/8 |
| 180 days | 3 5/8 -3 3/4 | 3 1/2 -3 5/8 | 3 5/8 | 3 1/2 |