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May 17, 1957

CAPITAL MARKET DEVELOPMENTS

(Including Monthly Review of Sources and Uses
of Funds of Financial Intermediaries)

The volume of large publicly offered securities was quite small during the week ending May 10, but is expected to be somewhat larger this week. Last week, a single corporate offering for \$25 million, and State and local government issues for \$28 million were sold. Another State and local government issue scheduled for sale last week--Jacksonville, Florida's \$30 million utilities revenue bond issue--carried a 3.90 per cent coupon rate limitation and received no bids.

The calendar for this week includes corporate offerings totaling \$58 million and State and local government issues amounting to \$85 million. The State and local government financing total includes the \$19 million State of Massachusetts bond issue, which was sold Wednesday at a net interest cost of 3.24 per cent. This issue is part of the \$83 million Aa-rated issue for which the State on February 26 rejected the only bid received--naming a net interest cost of 3.22 per cent. A \$20 million portion of the original issue was sold March 19 at a net interest cost of 3.01 per cent.

Bond yields - Bond yields increased slightly last week for all types of outstanding bonds, except those for U. S. Government obligations. Yields on the Government (old series) bonds remained stable, while yields on the new series bonds declined one basis point. The Baa-rated corporate bond yields have now reached their previous high for the year.

Reoffering yields on new issues have increased sharply in recent weeks. A new Aa-rated, 30-year, first mortgage electric utility issue was reoffered this week to yield 4.50 per cent--21 basis points above that for the last comparable issue, an offering made on April 3. Last week, an A-rated utility issue was reoffered to yield 4.53 per cent. Two similar A-rated issues were sold this week. El Paso Electric Company's issue was reoffered to yield 4.70 per cent, while the New York State Electric and Gas Company's issue was reoffered at a yield of 4.53 per cent. It should be noted, however, that the New York Company's issue carried a 5 year no-call provision. This is the first issue of a major utility to carry such a provision.

Stock market credit - Customer credit in the stock market (excluding U. S. Government securities) increased during April, reaching a level of \$3,938 million at the end of the month, only \$46 million below the December 1956 peak. This is the first increase in customer credit since December and the largest increase since December 1954. The increase of \$106 million in April resulted from a \$79 million increase in net debit balances and \$27 million increase in bank loans to "others". The increase in borrowing by member firms of the NYSE maintaining margin accounts (except borrowings on U. S. Government securities) of \$93 million more than offset last month's decline. Customers' net free credit balances continued to decline in April, totaling \$807 million at the end of the month. These and other data on stock market credit for April and March are shown in the following table.

| | End of month | | Change |
|---|-----------------------|--------------------|--------|
| | April | March | |
| | (Millions of dollars) | | |
| Customer credit | | | |
| Excluding U. S. Govt. securities - total | 3,938 | 3,832 | +106 |
| Net debit balances | 2,792 | 2,713 | +79 |
| Bank loans to "others" | 1,146 | 1,119 | +27 |
| Net debit balances secured by U. S. Govt. securities | 28 | 28 | -- |
| Bank loans to others for purchasing or carrying U. S. Government securities | 28 | 27 | +1 |
| Broker and dealer credit | | | |
| Money borrowed except on U. S. Govt. securities | 2,051 | 1,958 | +93 |
| On customer collateral | 1,789 | 1,729 ^F | +60 |
| Money borrowed on U. S. Government securities | 53 | 47 | +6 |
| Customers' net free credit balances | 807 | 820 ^F | -13 |

r/ Revised.

Stock prices - Common stock prices, as measured by the SEC index of 265 common stocks, increased slightly last week, closing at 282.2 on May 10. Daily figures through Wednesday of this week indicate some further increase in prices.

Financial intermediaries - Increases in savings capital, at savings and loans associations and deposits at mutual savings banks during March were the same as a year earlier in contrast to their smaller growth in January and February. The increase in assets of life insurance companies was smaller than last year, as had been the case in January, while in February it was larger than a year earlier.

Life insurance company assets increased \$285 million during March. Holdings of U. S. Government securities continued to decline after increasing in January. However, net sales of such securities were more than three-eighths smaller than in March 1956. As was the case in January and February, the increase in holdings of mortgages this March was smaller than in the comparable month a year ago. For the first time this year the increase in holdings of business securities was larger than in the corresponding period last year.

The growth in deposits at mutual savings banks in March was \$238 million. Savings banks continued to be net purchasers of U. S. Government securities in March of this year. Net purchases of business securities increased from a year earlier, but net acquisition of mortgages was three-eighths smaller than last year.

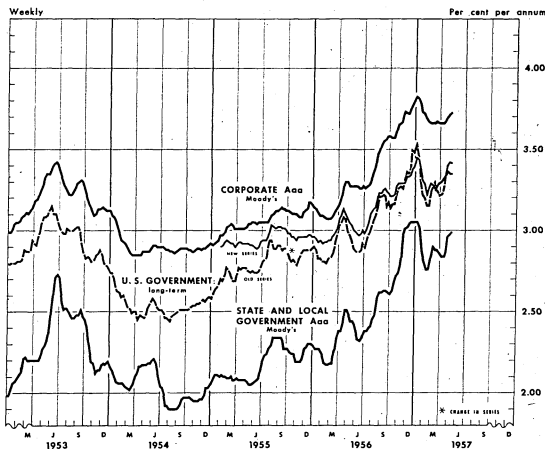
The net increase in savings capital at savings and loan associations in March was \$359 million. Net repayment of FHLB advances continued, but was much less than in each of the two previous months. Funds invested in mortgages increased substantially from February, but were 10 per cent below the increase in March 1956. Holdings of U. S. Government securities increased \$92 million, somewhat below the peak increases recorded this January and February.

More detailed information concerning recent capital market developments is presented in the attached exhibits.

Business Finance and Capital Markets Section,
Division of Research and Statistics,
Board of Governors of the Federal Reserve System.

EXHIBIT A

HIGH-GRADE BOND YIELDS



| Date | Corporate Aaa 1/ | U. S. Govt., long-term 2/ | | State and local govt. Aaa 3/ | Spread between U. S. Govt. (old series) and Corporate State and Aaa local Aaa | |
|-------------|---------------------|---------------------------|--------------|------------------------------------|---|------------------------|
| | | Old series | New series | | Corporate Aaa | State and local Aaa |
| (Per cent) | | | | | | |
| 1953 - High | 3.42 (6/19) | 3.15 (6/6) | n.a. | 2.73 (6/25) | .38 | .84 |
| Low | 2.99 (1/9) | 2.78 (12/26) | n.a. | 1.98 (1/8) | .19 | .30 |
| 1954 - High | 3.09 (1/8) | 2.74 (1/9) | n.a. | 2.21 (6/10) | .43 | .61 |
| Low | 2.85 (4/23) | 2.44 (8/7) | n.a. | 1.90 (9/2) | .32 | .29 |
| 1955 - High | 3.17 (12/23) | 2.94 (8/5) | 3.03 (8/5) | 2.34 (9/8) | .34 | .70 |
| Low | 2.91 (1/7) | 2.62 (1/7) | 2.89 (6/10) | 2.05 (5/26) | .13 | .54 |
| 1956 - High | 3.79 (12/28) | 3.49 (12/21) | 3.39 (12/28) | 3.05 (12/27) | .14 | .68 |
| Low | 3.07 (3/2) | 2.80 (2/17) | 2.92 (2/3) | 2.17 (2/23) | .13 | .32 |
| 1957 - High | 3.82 (1/4) | 3.53 (1/4) | 3.45 (1/4) | 3.05 (1/10) | .54 | .48 |
| Low | 3.66 (4/12) | 3.15 (2/8) | 3.22 (2/8) | 2.76 (2/21) | .29 | .26 |
| April 12 | 3.66 | 3.25 | 3.32 | 2.84 | .41 | .41 |
| April 19 | 3.67 | 3.33 | 3.34 | 2.87 | .34 | .46 |
| April 26 | 3.69 | 3.36 | 3.40 | 2.96 | .33 | .40 |
| May 3 | 3.71 | 3.35 | 3.42 | 2.97 | .36 | .38 |
| May 10 | 3.72 | 3.35 | 3.41 | 2.99 | .37 | .36 |

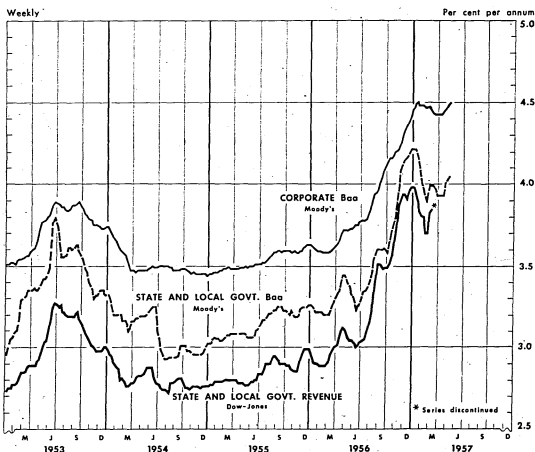
^{1/} Weekly average of daily figures. Average term of bonds included is 25-26 years.

^{2/} Weekly averages of daily figures. The old series includes fully taxable, marketable 2 1/2 per cent bonds due or first callable after 12 years through September 1955, and those due or callable in 10-12 years thereafter; the average term to first call of the bonds included declined from 14 years in early 1953 to 11 1/2 years in early 1956. The new series is comprised of the 3 per cent bond of 1955 and the 3 1/4 per cent bond of 1978-83.

^{3/} Thursday figures. Only general obligation bonds are included; average term is 20 years.

Note.--Highs and lows are for individual series and may be on different dates for different series.

LOWER - GRADE BOND YIELDS



| Date | Corporate Baa <u>1/</u> | State and local govt. Baa <u>2/</u> | State and local govt. rev. <u>3/</u> |
|-------------|----------------------------|---|--|
| (Per cent) | | | |
| 1953 - High | 3.89 (9/18) | 3.79 (6/25) | 3.27 (6/26) |
| Low | 3.50 (1/2) | 2.96 (1/8) | 2.71 (1/2) |
| 1954 - High | 3.74 (1/8) | 3.32 (1/7) | 3.00 (1/1) |
| Low | 3.44 (12/31) | 2.93 (8/5) | 2.72 (8/13) |
| 1955 - High | 3.63 (12/30) | 3.26 (12/29) | 2.99 (12/30) |
| Low | 3.45 (1/14) | 3.02 (1/6) | 2.76 (1/7) |
| 1956 - High | 4.41 (12/28) | 4.22 (12/27) | 3.98 (12/28) |
| Low | 3.58 (3/9) | 3.20 (3/8) | 2.89 (2/24) |
| 1957 - High | 4.50 (5/10) | 4.22 (1/10) | 3.98 (1/4) |
| Low | 4.42 (4/12) | 3.90 (2/21) | 3.70 (2/22) |
| April 12 | 4.42 | 3.93 | <u>4/</u> |
| April 19 | 4.44 | 3.93 | |
| April 26 | 4.45 | 4.00 | |
| May 3 | 4.48 | 4.03 | |
| May 10 | 4.50 | 4.05 | |

1/ Weekly average of daily figures. Average term of bonds included is 26-26 years.

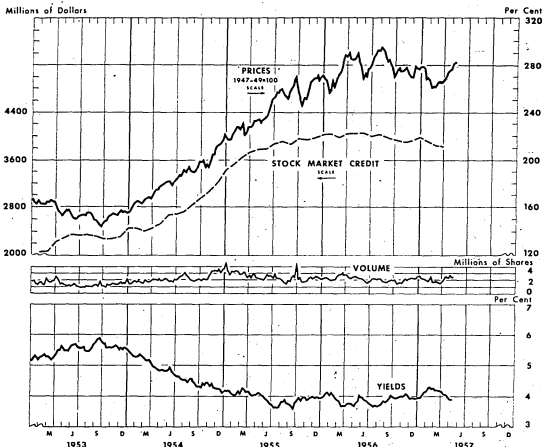
2/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

3/ Friday figures. Average rating of bonds included is between Baa and A; average term is 20 years.

4/ Series discontinued, as of March 15.

Note.--Highs and lows are for individual series and may be on different dates for different series.

STOCK MARKET



| Date | Stock price index ^{1/} | Trading volume ^{2/} (millions of shares) | Common stock yields ^{3/} (per cent) | Stock market customer credit | | |
|-----------------------|------------------------------------|--|---|------------------------------|--|---|
| | | | | Total | Customers' debit bal- ances ^{4/} | Bank loans to "others" ^{5/} |
| (Millions of dollars) | | | | | | |
| 1953 - High | 167.1 (1/2) | 2.5 | 5.88 | 2,445 | 1,665 | 780 |
| Low | 144.0 (9/18) | 0.9 | 5.15 | 2,055 | 1,314 | 664 |
| 1954 - High | 221.4 (12/31) | 3.7 | 5.49 | 3,436 | 2,388 | 1,048 |
| Low | 156.5 (1/6) | 1.4 | 4.09 | 2,405 | 1,653 | 746 |
| 1955 - High | 270.7 (12/30) | 4.6 | 4.23 | 4,030 | 2,805 | 1,241 |
| Low | 217.4 (1/14) | 1.5 | 3.59 | 3,537 | 2,517 | 1,018 |
| 1956 - High | 295.5 (8/3) | 3.1 | 4.13 | 4,047 | 2,823 | 1,267 |
| Low | 257.4 (1/20) | 1.5 | 3.65 | 3,914 | 2,740 | 1,155 |
| 1957 - High | 282.2 (5/10) | 2.7 | 4.28 | 3,902 | 2,762 | 1,163 |
| Low | 260.3 (2/8) | 1.6 | 3.89 | 3,832 | 2,713 | 1,117 |
| March | 265.1 | 1.7 | 4.16 | 3,832 | 2,713 | 1,119 |
| April | 273.3 | 2.3 | 3.96 | n.a. | n.a. | 1,146 |
| April 26 | 276.4 | 2.7 | 3.99 | n.a. | n.a. | 1,146 |
| May 3 | 281.3 | 2.4 | 3.89 | n.a. | n.a. | 1,145 |
| May 10 | 282.2 | 2.4 | 3.89 | n.a. | n.a. | n.a. |

n.a.--Not available. r/ Revised.

^{1/} SEC index of 265 common stocks, weekly closing prices, 1939=100; converted to 1947=100 by Federal Reserve. The conversion factor is 123.91.

^{2/} Averages of daily trading volume on the New York Stock Exchange.

^{3/} Moody's 125 industrial stocks; weekly data based on Friday.

^{4/} End of month figures for member firms of the New York Stock Exchange which carry margin accounts; excludes balances secured by U. S. Government obligations.

^{5/} Wednesday figures for weekly reporting member banks. Excludes loans for purchasing or carrying U. S. Government securities at banks in New York and Chicago. Weekly reporting banks account for about 72 per cent of loans to others.

Note.--Highs and lows are for individual series and may be on different dates for different series.

Corporate and State and local Government
Security Offerings and Placements

(In millions of dollars)

| | New capital | | | | | |
|--------------------------------|-------------|----------|----------|-----------------|-------|-------|
| | Corporate | | | State and local | | |
| | 1957 | 1956 | 1955 | 1957 | 1956 | 1955 |
| January | 1,063 | 579 | 535 | 685 | 404 | 535 |
| February | 1,071 | 704 | 407 | 566 | 696 | 312 |
| March | 1,344 | 790 | 1,223 | 9/500 | 390 | 538 |
| April | 9/950 | 816 | 478 | 9/750 | 378 | 427 |
| May | 9/750 | 1,144 | 886 | 9/450 | 490 | 350 |
| June | | 830 | 687 | | 735 | 642 |
| July | | 1,066 | 597 | | 376 | 470 |
| August | | 669 | 644 | | 199 | 249 |
| September | | 836 | 670 | | 333 | 406 |
| October | | 747 | 1,162 1/ | | 645 | 919 |
| November | | 1,088 2/ | 632 | | 311 | 658 |
| December | | 1,094 | 900 | | 426 | 408 |
| 1st quarter | 3,479 | 2,073 | 2,165 | 9/1,751 | 1,490 | 1,385 |
| 2nd quarter | | 2,789 | 2,052 | | 1,603 | 1,418 |
| 3rd quarter | | 2,571 | 1,911 | | 908 | 1,124 |
| 4th quarter | | 2,929 | 2,695 | | 1,382 | 1,984 |
| 1st half | | 4,862 | 4,216 | | 3,093 | 2,803 |
| Three quarters | | 7,432 | 6,127 | | 4,001 | 3,927 |
| Year | | 10,362 | 8,821 | | 5,383 | 5,911 |
| Excluding finance companies 3/ | | | | | | |
| 1st quarter | 9/3,279 | 1,617 | 1,727 | | | |
| 2nd quarter | | 2,519 | 1,870 | | | |
| 3rd quarter | | 2,263 | 1,444 | | | |
| 4th quarter | | 2,834 | 2,554 | | | |
| Year | | 9,233 | 7,595 | | | |

9/ Estimated.

1/ Includes \$637.2 million AT&T convertible debenture issue.

2/ Includes \$571.5 million AT&T common stock issue.

3/ Total new capital issues excluding offerings of sales and consumer finance companies.

Note.--Details may not add to totals due to rounding.

P
Large Public Security Issues for New Capital
(Other than U. S. Treasury) 1/

Proceeds of Large Issues Offered

(Millions of dollars)

| Month | Corporate | State and local government | Other <u>2/</u> |
|----------------|-----------|-------------------------------|-----------------|
| 1956 - April | 395 | 157 | 50 |
| May | 623 | 233 | -- |
| June | 185 | 463 | 20 |
| July | 592 | 164 | -- |
| August | 217 | 35 | 37 |
| September | 558 | 184 | -- |
| October | 386 | 383 | 35 |
| November | 701 | 135 | -- |
| December | 430 | 201 | -- |
| 1957 - January | 567 | 386 | 100 |
| February | 671 | 306 | 50 |
| March | 788 | 194 | -- |
| April | 477 | 499 | 125 |

Large Individual Issues Offered May 1 through 10

| Issuer | Type <u>3/</u> | Amount (millions of dollars) | Maturity | Coupon rate or net inter- est cost | Offering yield | Rating |
|-----------------------------------|------------------|---------------------------------------|-----------|---|-------------------|--------|
| <u>CORPORATE</u> | | | | | | |
| Pacific Great Eastern Ry. | S. F. deb. | 20.0 | 1982 | 4 3/8 | 4.61 | A |
| Cincinnati Gas & Elec. Co. | 1st mtg. bds. | 25.0 | 1987 | 4 1/8 | 4.17 | Aaa |
| <u>STATE AND LOCAL GOVERNMENT</u> | | | | | | |
| State of Ohio | G.O. | 60.0 | 1958-72 | 2.94 | 2.00-2.95 | Aaa |
| New York St. Power Auth. | Rev. | 6.8 | 1961-85 | 3.78 | 3.00-3.75 | -- |
| Melbourne, Florida | Wtr. & swr. rev. | 6.8 | 1960-96 | n.a. | 3.50-5.00 | -- |
| Cincinnati, Ohio | G.O. | 15.1 | 1958-2007 | 3.15 | 2.10-3.20 | Aaa |
| Chicago, Illinois | G.O. | 12.5 | 1958-76 | 3.36 | 2.50-3.55 | A |
| <u>OTHER</u> | | | | | | |
| British Columbia Pwr. Comm. | S. F. deb. | 25.0 | 1987 | 4 3/8 | 4.50 | A |

n.a.--Not available.

1/ Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$5 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues.

3/ In the case of State and local government securities, G.O. denotes general obligation; Rev., revenue bonds; G.R., general obligations additionally secured by facilities revenues; L.L., limited liability obligations secured by pledge of designated revenues.

Forthcoming Large Public Security Offerings for New Capital
(Other than U. S. Treasury) 1/

Expected Proceeds from Forthcoming Large Issues

| Date of computation | During month following date shown | | | Subsequent to date shown | | |
|---------------------|-----------------------------------|-----------------------|----------|--------------------------|-----------------------|----------|
| | Corporate | State and local govt. | Other 2/ | Corporate | State and local govt. | Other 2/ |
| 1956 - Apr. 30 | 568 | 173 | -- | 818 | 832 | -- |
| May 31 | 198 | 332 | -- | 448 | 941 | -- |
| June 29 | 437 | 81 | -- | 567 | 690 | -- |
| July 31 | 247 | -- | 37 | 1,096 | 726 | 37 |
| Aug. 31 | 369 | 131 | -- | 1,202 | 958 | -- |
| Sept. 28 | 315 | 359 | -- | 1,009 | 1,197 | -- |
| Oct. 31 | 683 | 162 | -- | 990 | 955 | -- |
| Nov. 30 | 436 | 48 | 23 | 481 | 979 | 23 |
| Dec. 31 | 476 | 280 | 100 | 796 | 763 | 100 |
| 1957 - Jan. 31 | 591 | 153 | 35 | 966 | 648 | 35 |
| Feb. 28 | 740 | 153 | -- | 795 | 631 | -- |
| Mar. 29 | 461 | 290 | 25 | 486 | 862 | 25 |
| Apr. 30 | 187 | 179 | 25 | 258 | 396 | 25 |

Forthcoming Large Offerings, as of May 10

| Issuer | Type | Amount (millions of dollars) | Approximate date of offering |
|---------------------------------------|----------------------|------------------------------|------------------------------|
| <u>CORPORATE</u> | | | |
| Central Maine Power Co. | 1st & gen. mtg. bds. | 18.0 | May 14 |
| New York State Elec. & Gas Co. | 1st mtg. bds. | 25.0 | May 15 |
| Florida Power & Light Co. | 1st mtg. bds. | 15.0 | May 16 |
| Public Service Co. of Colorado | 1st mtg. bds. | 30.0 | May 21 |
| New York Telephone Co. | Ref. mtg. bds. | 70.0 | May 21 |
| Acme Steel Co. | S.F. deb. | 22.0 | May 22 |
| Niagara Mohawk Power Corp. | Pfd. stk. | 20.0 | May 22 |
| Interstate Power Co. | 1st mtg. bds. | 18.5 | May 23 |
| National Fuel Gas Co. | Deb. | 15.0 | May 28 |
| *Tennessee Gas Transmission Co. | 1st mtg. P.L. bds. | 50.0 | May 29 |
| *Boston Edison Co. | 1st mtg. bds. | 25.0 | June 4 |
| *General Telephone Co. of Calif. | 1st mtg. bds. | 20.0 | June 5 |
| *Columbia Gas System, Inc. | Debentures | 20.0 | June 6 |
| *Georgia Power Inc. | 1st mtg. bds. | 15.5 | June 6 |
| General Telephone Corp. | Conv. deb. | 46.0 | June 10 (rights expire) |
| Metropolitan Edison Co. | 1st mtg. bds. | 19.0 | June 10 |
| International Business Machines Corp. | Common stk. | 200.0 | June 10 (rights expire) |
| *Consolidated Natural Gas Co. | S.F. deb. | 25.0 | June 11 |
| Michigan Wisconsin Pipe Line Co. | 1st mtg. bds. | 25.0 | 1957 |

Forthcoming Large Offerings, as of May 10 (Cont'd)

| Issuer | Type | Amount (millions of dollars) | Approximate date of offering |
|--|-----------------|------------------------------------|---------------------------------|
| <u>STATE AND LOCAL GOVERNMENT</u> | | | |
| Shelby Co., Tennessee | G.O. | 6.8 | May 13 |
| Territory of Hawaii | G.O. | 14.0 | May 14 |
| Tulsa Ind. Sch. Dist. No. 1, Oklahoma | G.O. | 5.0 | May 14 |
| State of North Dakota | G.O. | 9.0 | May 14 |
| State of Massachusetts | G.O. | 19.1 | May 14 |
| *State of Washington | Fuel rev. | 20.7 | May 16 |
| *State of Washington | Sales tax rev. | 10.0 | May 16 |
| Boston, Massachusetts | G.O. | 5.3 | May 21 |
| State of Tennessee | G.O. | 10.0 | May 22 |
| King Co., Sch. Dist. No. 1, Wash. | G.O. | 15.0 | May 22 |
| *Yonkers, New York | G.O. | 6.1 | May 22 |
| *Washington Sub. Sanitary Dist., Md. | G.O. | 9.4 | May 23 |
| *State of Maryland | G.O. | 9.8 | May 28 |
| State of Texas | G.O. | 12.5 | May 28 |
| State of Mississippi | G.O. | 10.0 | May 29 |
| *Tacoma, Washington | Lt. & pwr. rev. | 15.0 | June 4 |
| *Columbus, Ohio | G.O. | 5.2 | June 4 |
| Los Angeles, California | Elec. rev. | 15.0 | June 5 |
| *State of Louisiana | G.O. | 16.0 | June 6 |
| *State of Ohio | Highway rev. | 32.0 | June 12 |
| Jacksonville, Florida | Utilities rev. | 30.0 | 1957 |
| Louisville & Jefferson Cos. Sewer Dist., Kentucky | Rev. | 8.0 | 1957 |
| University System Bldg. Auth., Ga. | Rev. | 12.0 | 1957 |
| Pennsylvania Turnpike Commission | Rev. | 62.0 | 1957 |
| Inter-American Center Auth., Florida | Rev. | 20.0 | 1957 |
| New York State Thruway Authority | G.O. | 50.0 | 1957 |
| Oklahoma Turnpike Authority | Rev. | 65.0 | 1957 |
| <u>OTHER</u> | | | |
| None | | | |

*--Included in table for first time.

1/ Includes corporate and other issues of \$15 million and over; State and local government issues of \$5 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues.

Note.--Deletions for reasons other than sale of issue: None.

Yields on New and Outstanding
Electric Power Bonds, Rated Aa and A 1/

| Date | Aa-rated offering yields | | A-rated offering yields | |
|------------------|--------------------------|---|-------------------------|---|
| | Actual (per cent) | Amount above seasoned yields (basis points) | Actual (per cent) | Amount above seasoned yields (basis points) |
| 1952 - 1956 | | | | |
| High | 4.30(12/12/56) | 62 | 4.58(12/6/56) | 70 |
| Low | 2.93(3/31/54) | - 3 | 3.00(3/17/54) | -15 |
| 1956 - January | None | -- | None | -- |
| February | *3.15 | 3 | 3.23 | - 6 |
| March | 3.28 | 11 | 3.45 | 15 |
| April | *3.77 | 40 | 3.61 | 26 |
| May | *3.53 | 19 | 3.76 | 28 |
| June | *3.52 | 18 | *3.75 | 27 |
| July | 3.66 | 29 | *3.82 | 28 |
| August | *4.07 | 52 | *4.00 | 43 |
| September | 4.13 | 53 | None | -- |
| October 10 | | | 4.40 | 63 |
| 31 | 4.20 | 48 | | |
| November 21 | 4.30 | 52 | | |
| December 6 | | | 4.58 | 70 |
| 12 | 4.30 | 47 | | |
| 1957 - January 8 | 4.50 | 62 | | |
| 16 | | | 4.67 | 70 |
| 18 | 4.43 | 56 | | |
| 22 | | | 4.56 | 57 |
| 24 | 4.40 | 53 | | |
| February 5 | 4.29 | 45 | | |
| 19 | 4.25 | 46 | | |
| 27 | 4.22 | 43 | | |
| March 6 | | | 4.41 | 35 |
| 12 | | | 4.58 | 52 |
| 20 | | | 4.55 | 49 |
| 29 | | | 4.45 | 43 |
| April 3 | 4.29 | 50 | | |
| 10 | | | 4.60 | 59 |
| 12 | | | 4.50 | 49 |
| May 10 | | | 4.53 | 52 |

*--Single observation, not an average.

1/ Covers only 30-year first mortgage bonds, as reported in Moody's Bond Survey. Except where indicated, the actual yield figure and the amount above seasoned yields are averages of offerings during the indicated period and of the differences between these new offering yields and yields on seasoned issues of similar quality for the same day. Average maturity for the seasoned issues varies from 26 to 28 years.

Exhibit H

Sources and Uses of Funds by Life
Insurance Companies
Monthly

(In millions of dollars)

| | Uses of Funds 1/ | | | | | | Total sources or uses |
|--------------------------------------|------------------|----------------------------------|----------------------------------|--|----------------|--------|-----------------------------|
| | Cash | U.S. Govt. secur- ities | Busi- ness secur- ities | State and local govt. secur- ities | Mort- gages | Other | |
| 1955 - Jan. | -62 | 209 | 173 | 104 | 282 | 73 | 779 |
| Feb. | -28 | 9 | 63 | 37 | 249 | 82 | 412 |
| Mar. | -81 | -148 | 277 | -10 | 268 | 67 | 373 |
| Apr. | -2 | 14 | 143 | 1 | 222 | 55 | 433 |
| May | 40 | -47 | 168 | -9 | 268 | 34 | 454 |
| June | -3 | -12 | 144 | 1 | 267 | 54 | 451 |
| July | 30 | 50 | 251 | 22 | 264 | 51 | 668 |
| Aug. | 75 | 84 | -9 | -- | 253 | 46 | 449 |
| Sept. | -27 | -51 | 209 | 4 | 249 | 58 | 442 |
| Oct. | -9 | -102 | 261 | 7 | 313 | 17 | 487 |
| Nov. | 67 | -136 | 153 | -3 | 304 | 94 | 479 |
| Dec. r/ | 55 | -346 | 293 | 11 | 558 | 201 | 772 |
| Value of Assets at End of Year r/ | 1,255 | 8,545 | 37,580 | 1,998 | 29,425 | 11,464 | 90,267 |
| 1956 - Jan. | -87 | -153 | 275 | 127 | 367 | 94 | 623 |
| Feb. | -113 | -157 | 221 | 19 | 302 | 126 | 398 |
| Mar. | -14 | -191 | 175 | 9 | 281 | 43 | 303 |
| Apr. | 27 | 40 | 118 | -- | 268 | 29 | 482 |
| May | 19 | -99 | 148 | -13 | 340 | 58 | 453 |
| June | -8 | -65 | 106 | 8 | 293 | 64 | 398 |
| July | 15 | -35 | 298 | 43 | 328 | 55 | 704 |
| Aug. | -29 | -108 | 155 | 15 | 285 | 94 | 412 |
| Sept. | 13 | 27 | 54 | 7 | 214 | 104 | 419 |
| Oct. | 16 | 45 | 109 | 5 | 288 | -5 | 458 |
| Nov. | 16 | -101 | 98 | 11 | 310 | 71 | 405 |
| Dec. | 164 | -217 | 193 | 8 | 308 | 89 | 545 |
| Value of Assets at End of year | 1,273 | 7,532 | 39,534 | 2,237 | 33,017 | 12,226 | 95,819 |
| 1957 - Jan. | -132 | 56 | 190 | 7 | 262 | 114 | 497 |
| Feb. | -38 | -44 | 160 | -- | 200 | 144 | 422 |
| Mar. | -47 | -117 | 192 | 7 | 193 | 57 | 285 |
| Apr. | | | | | | | |

r/ Revised.

1/ Uses of funds represent net changes in assets and therefore reflect net, rather than gross, uses.

Source: Institute of Life Insurance.

Exhibit I

Sources and Uses of Funds
by Savings and Loan Associations
Monthly

(In millions of dollars)

| | Uses of Funds 1/ | | | | Total Sources or Uses | Sources of Funds | | |
|--------------------------------|------------------|-----------------------|-----------|--------------|-----------------------|----------------------------|--------------|-------|
| | Cash | U.S. Govt. securities | Mortgages | Other Assets | | Net change Savings Capital | Borrowing 2/ | Other |
| 1955 - Jan. | - 10 | 74 | 304 | -32 | 335 | 463 | -166 | 38 |
| Feb. | 5 | 67 | 335 | 15 | 421 | 323 | - 32 | 130 |
| Mar. | - 50 | 38 | 535 | 42 | 564 | 355 | 9 | 200 |
| Apr. | - 88 | 31 | 533 | 50 | 525 | 315 | 60 | 150 |
| May | 3 | 25 | 551 | 93 | 671 | 415 | 73 | 183 |
| June | 126 | 18 | 611 | 12 | 766 | 715 | 207 | -156 |
| July | -244 | 57 | 534 | -71 | 275 | 122 | 62 | 91 |
| Aug. | - 66 | 15 | 581 | 40 | 569 | 294 | 129 | 146 |
| Sept. | - 41 | -19 | 483 | 13 | 435 | 270 | 111 | 54 |
| Oct. | 117 | 1 | 336 | 46 | 499 | 416 | 73 | 10 |
| Nov. | 67 | 11 | 246 | 97 | 420 | 386 | 18 | 16 |
| Dec. | 268 | 3 | 218 | 15 | 503 | 784 | 54 | -335 |
| Value of Assets at End of Year | 2,067 | 2,342 | 31,461 | 1,791 | 37,719 | 32,192 | 1,558 | 3,969 |
| 1956 ^p - Jan. | - 48 | 108 | 236 | -19 | 276 | 423 | -197 | 50 |
| Feb. | -- | 76 | 305 | 53 | 434 | 358 | - 74 | 150 |
| Mar. | - 44 | 57 | 403 | 48 | 463 | 359 | - 51 | 155 |
| Apr. | - 58 | 56 | 409 | 89 | 496 | 330 | - 3 | 169 |
| May | 9 | 45 | 445 | 137 | 635 | 475 | - 2 | 162 |
| June | 121 | -32 | 481 | 29 | 599 | 811 | 57 | -269 |
| July | -169 | 35 | 394 | -84 | 175 | 131 | - 59 | 103 |
| Aug. | - 90 | 39 | 452 | - 1 | 400 | 287 | 16 | 97 |
| Sept. | - 43 | 13 | 353 | 55 | 377 | 267 | 32 | 78 |
| Oct. | 37 | 14 | 366 | 68 | 485 | 411 | - 4 | 78 |
| Nov. | 58 | 28 | 291 | 85 | 461 | 394 | -- | 67 |
| Dec. | 302 | 17 | 274 | -15 | 578 | 864 | 82 | -368 |
| Value of Assets at End of Year | 2,142 | 2,798 | 35,870 | 2,236 | 43,098 | 37,302 | 1,355 | 4,441 |
| 1957 ^p - Jan. | -168 | 148 | 232 | -25 | 187 | 336 | -190 | 41 |
| Feb. | - 39 | 115 | 269 | 54 | 399 | 315 | - 62 | 146 |
| Mar. | - 24 | 92 | 363 | 86 | 516 | 359 | - 15 | 172 |
| Apr. | | | | | | | | |

^p/ Preliminary.

1/ Uses of funds represent net changes in assets and therefore reflect net, rather than gross, uses. Savings and loan associations do not hold business securities and data on holdings of State and local government bonds, presumed to be small, are not available.

2/ Advances from Home Loan Banks and other borrowing.

Source: Federal Savings and Loan Insurance Corporation.

Exhibit J

Sources and Uses of Funds by
Mutual Savings Banks
Monthly

(In millions of dollars)

| | Uses of Funds 1/ | | | | | | Sources of Funds | | |
|-----------------------------------|------------------|----------------------------------|----------------------------------|--|----------------|-------|-----------------------------|----------------------------------|-------|
| | Cash | U.S. Govt. secur- ities | Busi- ness secur- ities | State and local govt. secur- ities | Mort- gages | Other | Total Sources or Uses | Net changes in Deposits | Other |
| 1955 - Jan. | 2 | 30 | 11 | 31 | 164 | 7 | 245 | 195 | 50 |
| Feb. | -43 | 8 | 8 | 7 | 166 | 20 | 166 | 105 | 61 |
| Mar. | -1 | 6 | 7 | 13 | 220 | 15 | 260 | 266 | -6 |
| Apr. | -47 | -45 | -16 | -2 | 184 | -24 | 50 | 44 | 6 |
| May | 16 | -14 | -38 | 5 | 192 | 30 | 191 | 125 | 66 |
| June | 36 | -58 | -10 | 2 | 229 | -8 | 194 | 240 | -47 |
| July | -65 | 34 | -32 | 19 | 213 | -23 | 146 | 97 | 49 |
| Aug. | 9 | -7 | -40 | -3 | 231 | 11 | 201 | 134 | 67 |
| Sept. | -10 | -45 | -23 | -20 | 232 | 24 | 158 | 182 | -24 |
| Oct. | -25 | -111 | -10 | -5 | 221 | -16 | 54 | 85 | -31 |
| Nov. | -6 | -73 | -35 | -12 | 177 | 36 | 87 | 27 | 60 |
| Dec. | 73 | -13 | -- | 2 | 200 | -15 | 246 | 328 | -82 |
| Value of Assets at End of Year | 965 | 8,460 | 3,346 | 637 | 17,245 | 621 | 31,274 | 28,187 | 3,087 |
| 1956 - Jan. | -52 | 21 | 13 | 25 | 192 | -20 | 179 | 139 | 40 |
| Feb. | -14 | -8 | 34 | 2 | 190 | 18 | 222 | 135 | 87 |
| Mar. | -13 | 8 | 3 | 16 | 205 | 32 | 251 | 238 | 13 |
| Apr. | -56 | -52 | 2 | -3 | 183 | 5 | 79 | 45 | 34 |
| May | -2 | -42 | 19 | -5 | 194 | 62 | 226 | 162 | 64 |
| June | 89 | -90 | 45 | -5 | 183 | -32 | 190 | 278 | -88 |
| July | -63 | -7 | 34 | 1 | 198 | -24 | 139 | 76 | 63 |
| Aug. | -19 | -47 | 2 | 2 | 227 | 16 | 181 | 102 | 79 |
| Sept. | -- | -37 | 14 | -5 | 186 | 25 | 183 | 159 | 24 |
| Oct. | -33 | -147 | 13 | -5 | 205 | -15 | 18 | 62 | -44 |
| Nov. | -22 | -78 | -7 | 1 | 175 | 53 | 122 | 50 | 72 |
| Dec. r/ | 140 | -10 | 5 | 8 | 146 | -42 | 247 | 399 | -152 |
| Value of Assets at End of Year | 920 | 7,971 | 3,523 | 669 | 19,529 | 698 | 33,311 | 30,032 | 3,279 |
| 1957 - Jan. | -89 | 21 | 68 | 6 | 136 | -5 | 137 | 85 | 52 |
| Feb. | -- | 20 | 54 | 1 | 92 | 27 | 194 | 112 | 82 |
| Mar. | 13 | 18 | 83 | -- | 127 | 32 | 273 | 238 | 35 |
| Apr. | | | | | | | | | |

r/ Revised.

1/ Uses of funds represent net changes in assets and therefore reflect net, rather than gross, uses.

2/ Source: National Association of Mutual Savings Banks and Federal Deposit Insurance Corporation.