

H.14

July 20, 1959.

CAPITAL MARKET DEVELOPMENTS

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

The volume of large public security financing continues to be small. During the week ending July 17, two State and local government bond issues with aggregate proceeds of \$49 million and a foreign government agency offering for \$50 million were sold; no large corporate issues were offered for sale. The calendar for this week includes a corporate offering for \$50 million and a State and local government issue for \$13 million.

Bond yields - Yields declined last week for all categories of outstanding bonds, except those for lower grade corporate bonds which increased slightly. The decline was slight for yields on high-grade corporate and State and local government bonds, but larger for those on U. S. Government and Baa-rated State and local government obligations.

Offering yields on new issues continued to show little change. A new A-rated, first mortgage electric utility bond issue was offered to investors last week to yield 5.10 per cent--the same as the yield on the two previous offerings, one made a week earlier and one made the end of June.

Housing starts - Private nonfarm dwelling units started in June rose slightly to a seasonally adjusted annual rate of 1,370,000 units, according to preliminary estimates of the Bureau of the Census. On an unadjusted basis, FHA and VA starts increased very slightly while conventional starts declined very slightly.

In the first half of this year, private starts totaled about 691,000 units. This fell about 6,000 units short of the record first half in 1950, a year in which private starts reached a peak of 1,352,000 units. The 1959 first half, on the other hand, exceeded by 6,000 units the first half total of 1955, the second-highest year when private starts were 1,310,000 units.

Stock market credit - Customer credit in the stock market (excluding that on U. S. Government securities) changed little again last month, totaling \$4.7 billion at the end of June. Total credit declined \$19 million as a decline in bank loans to "others" more than offset a very slight increase in net debit balances.

Borrowing by member firms of the New York Stock Exchange maintaining margin accounts (excluding borrowing on U. S. Government securities) increased substantially in June, totaling \$2.2 billion at the end of the month. The increase of \$113 million in money borrowed against customer collateral more than balanced a sharp decline in customers' net free credit balances. At \$1.1 billion, free credit balances are now lower than they have been at any time since last July. These and other data on stock market credit for June and May are shown in the following table.

	End of month		Change
	June	May	
	(Millions of dollars)		
Customer credit			
Excluding U. S. Government securities - total	4,692	4,711	-19
Net debit balances	3,388	3,385	+3
Bank loans to "others"	1,304	1,326	-22
Net debit balances secured by U. S. Govt. securities	158	163	-5
Bank loans to others for purchasing or carrying U. S. Government securities	58	58	--
Broker and dealer credit			
Money borrowed except on U. S. Government securities	2,246	2,159	+87
On customer collateral	1,970	1,857	+113
Money borrowed on U. S. Government securities	237	252	-15
Customers' net free credit balances	1,094	1,188	-94

Stock prices - Stock prices declined last week for the first time in five weeks. Standard and Poor's index of 500 common stocks closed at 59.19, one per cent lower than a week earlier. Trading activity slackened, averaging 3.1 million shares a day.

Institutional investors - In May, life insurance company assets and share capital at savings and loan associations continued to increase more rapidly than a year earlier, while the increase in deposits at mutual savings banks was much smaller. This is similar to the growth pattern in most earlier months this year. For the first five months as a whole, the growth was one-seventh larger this year than last for life insurance company assets, one-tenth larger for savings capital at savings and loan associations and nearly one-third smaller for deposits at mutual savings banks. (The increase in time deposits at commercial banks has also been much less than the very rapid growth last year.)

The increase in life insurance company assets amounted to nearly \$500 million in May, one-tenth more than a year earlier. Net liquidation of U. S. Government securities was smaller than in May 1958.

Net acquisitions by these companies of both business securities and mortgages were larger this year, with the former being two-fifths larger and the latter one-sixth larger. The May increase in acquisitions of State and local government obligations was very large; acquisitions of these securities in the first five months of the year have been twice as large as in the corresponding period of 1958.

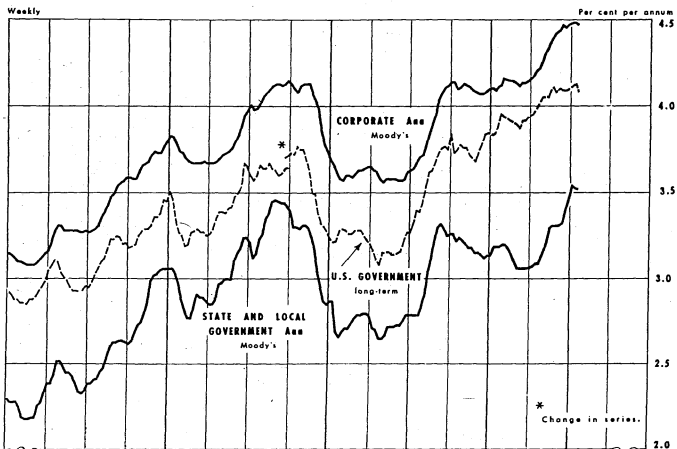
Savings capital at savings and loan associations increased \$604 million, one-fifth more than last May. The increase in FHLB advances, the largest increase in May since 1955, in part, reflects borrowing by these associations to obtain funds for their heavy mortgage lending activity. The volume of net mortgage acquisitions has been larger in each month since February than in the corresponding month of 1958; the increase in May was two-fifths greater.

The growth in deposits at mutual savings banks, totaling \$120 million, was one-third smaller than in May 1958. There was a net liquidation by savings banks of business securities, in contrast with a substantial net acquisition in May 1958--the most recent month in which such holdings increased substantially. For the first time this year the increase in mortgage holdings was smaller (one-sixth smaller) than in the corresponding month of 1958. There was a net acquisition of U. S. Government securities this May while last year there was a liquidation of these securities.

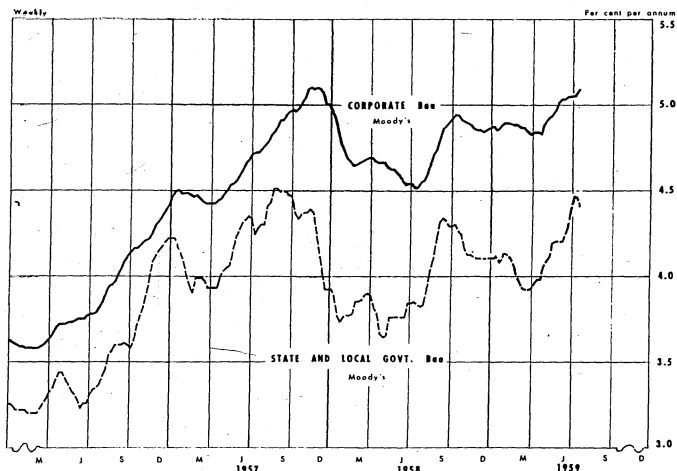
More detailed information concerning recent capital market developments is presented in the attached exhibits.

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

HIGH-GRADE BOND YIELDS



LOWER-GRADE BOND YIELDS



Tables for Exhibit A

High-grade Bond Yields

Date	Corporate Aaa <u>1/</u>	U. S. Govt. long-term <u>2/</u>	State and local govt. Aaa <u>3/</u>	Spread between U. S. Govt. and	
				Corporate Aaa	State and local Aaa
(Per cent)					
1954 - Low	2.85 (4/23)	2.45 (8/6)	1.90 (9/2)	.30	.30
1957 - High	4.14 (9/27)	3.76 (10/18)	3.45 (8/29)	.60	.47
1958 - High	4.13 (10/10)	3.84 (12/26)	3.31 (9/11)	.51	.72
Low	3.55 (5/2)	3.07 (4/25)	2.64 (5/1)	.22	.34
1959 - High	4.48 (7/10)	4.13 (7/10)	3.54 (7/2)	.39	.92
Low	4.09 (1/9)	3.83 (1/2)	3.06 (3/26)	.16	.57
June 19	4.46	4.09	3.39	.37	.70
June 26	4.47	4.10	3.45	.37	.65
July 3	4.48	4.12	3.54	.36	.58
July 10	4.48	4.13	3.52	.35	.61
July 17 p/	4.47	4.08	3.51	.39	.57

Lower-grade Bond Yields

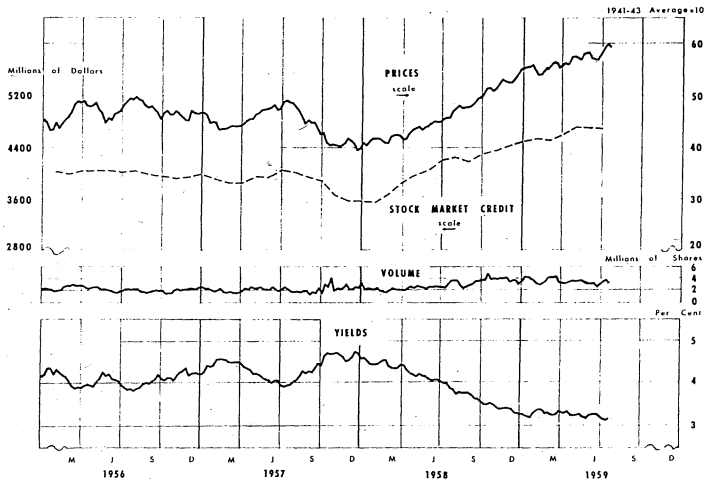
Date	Corporate Baa <u>1/</u>	State and local govt. Baa <u>3/</u>	Spread between Aaa and Baa	
			Corporate	State and local govt.
(Per cent)				
1954 - Low	3.44 (12/31)	2.93 (8/5)	.52	.96
1957 - High	5.10 (11/29)	4.51 (8/29)	1.27	1.21
1958 - High	4.96 (1/3)	4.34 (9/11)	1.28	1.11
Low	4.51 (7/11)	3.64 (5/1)	.77	.93
1959 - High	5.09 (7/17)	4.46 (7/2)	.77	.98
Low	4.83 (4/17)	3.92 (3/26)	.56	.86
June 19	5.04	4.29	.58	.90
June 26	5.04	4.38	.57	.93
July 3	5.05	4.46	.57	.92
July 10	5.07	4.45	.59	.93
July 17 p/	5.09	4.41	.62	.90

p/ Preliminary.

1/ Weekly average of daily figures. Average term of bonds included is 25-26 years.2/ Weekly average of daily figures. The series includes bonds due or callable in 10 years or more.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.

STOCK MARKET



PRIVATE PERMANENT NONFARM DWELLING UNITS STARTED

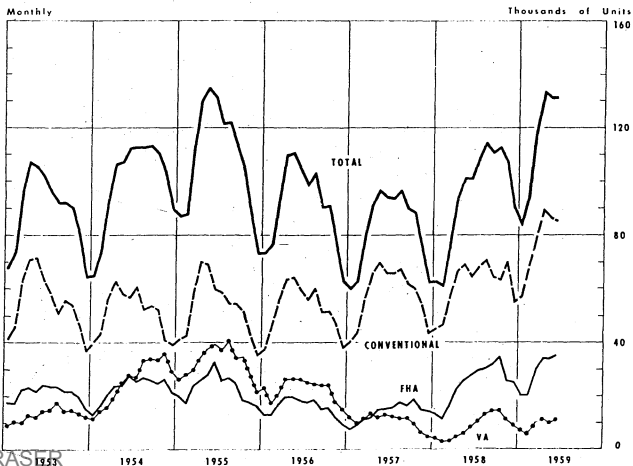


Exhibit D - Tables for Exhibit C

Stock Market

Date	Stock price index ^{1/}	Common stock yields ^{2/} (per cent)	Trading volume ^{3/} (millions of shares)	Stock market customer credit		
				Total	Customers' debit balances ^{4/}	Bank loans to "others" ^{5/}
(Millions of dollars)						
1953-1958 - High	54.11 (12/24/58)	3.30	4.9	4,492	3,285	1,317
Low	22.95 (9/18/53)	6.25	0.9	2,055	1,314	669
1959 - High	59.91 (7/10)	3.11	4.3	4,721	3,401	1,332
Low	54.37 (2/6)	3.34	2.6	4,527	3,253	1,210
May	57.96	3.20	3.4	4,711	3,385	1,326
June	57.46	3.23	2.9	4,692	3,388	1,304
June 26	57.98	3.21	3.0	n.a.	n.a.	1,304
July 3	59.28	3.13	3.2	n.a.	n.a.	1,301
July 10	59.91	3.11	3.7	n.a.	n.a.	1,248
July 17 p/	59.19	3.14	3.1	n.a.	n.a.	n.a.

n.a.--Not available. p/ Preliminary.

^{1/} Standard and Poor's composite index of 500 common stocks, weekly closing prices, 1941-43=10. Monthly data are averages of daily figures rather than of Fridays' only. Highs and lows are for Fridays' data only.

^{2/} Standard and Poor's composite stock yield based on Wednesday data converted to weekly closing prices by Federal Reserve. Yields shown are for dates on which price index reached its high or low.

^{3/} Averages of daily trading volume on the New York Stock Exchange.

^{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. Prior to July 1, 1959, such loans are excluded only at banks in New York and Chicago. Weekly reporting banks account for about 70 per cent of loans to others. For further detail see Bulletin.

Private Permanent Nonfarm Dwelling Units Started ^{1/}

Date	Total		Unadjusted		
	Seasonally adjusted annual rate	Unadjusted	FHA	VA	Conv.
(Thousands of units)					
1958 - June	1,057	101	28	8	65
July	1,174	109	30	11	68
Aug.	1,228	115	30	13	71
Sept.	1,255	111	32	14	65
Oct.	1,303	113	35	15	64
Nov.	1,427	107	26	11	70
Dec.	1,432	90	25	9	55
1959 - Jan.	1,364	84	20	7	57
Feb.	1,403	94	20	6	67
Mar.	1,403	118	30	10	78
Apr.	p/1,390	p/133	34	11	p/89
May	p/1,340	p/131	34	10	p/86
June	p/1,370	p/131	35	11	p/85

^{1/} Total starts are BLS estimates. A dwelling unit is started when excavation begins; all units in an apartment structure are considered started at that time. FHA and VA starts are units started under commitments by these agencies to insure or guarantee the mortgages. As reported by FHA and VA, a unit is started when a field office receives the first compliance inspection report, which is made before footings are poured in some cases but normally after the foundations have been completed. Capital military housing units are excluded. Conventional starts are derived as a residual, although total and FHA and VA starts are not strictly comparable in concept or timing; they include both units financed by conventional mortgages and units without mortgages.

Long-term Corporate and State and Local Government
Security Offerings and Placements

(In millions of dollars)

	New capital					
	Corporate 1/			State and local 2/		
	1959	1958	1957	1959	1958	1957
January	840	728	1,060	636	812	742
February	745	857	1,065	856	953	572
March	631	1,553	1,320	644	511	506
April	p/826	1,140	931	930	798	765
May	p/806	597	765	592	895	546
June	e/950	887	1,453	p/980	551	393
July	e/550	1,107	1,003	e/550	806	529
August		540	924		403	504
September		1,114	973		651	431
October		862	1,090		456	698
November		518	789		474	633
December		920	1,076		435	698
1st quarter	2,216	3,139	3,445	2,136	2,276	1,820
2nd quarter	e/2,582	2,623	3,149	e/2,502	2,244	1,704
3rd quarter		2,760	2,899		1,860	1,544
4th quarter		2,300	2,954		1,365	2,029
1st half	e/4,798	5,762	6,594	e/4,638	4,520	3,524
Three quarters		8,522	9,493		6,380	5,069
Year		10,823	12,447		7,746	7,099
	Excluding finance companies 4/					
1st quarter	2,011	2,899	3,237			
2nd quarter	e/2,332	2,586	2,809			
3rd quarter		2,731	2,582			
4th quarter		2,213	2,810			
Year		10,429	11,518			

e/ Estimated.

p/ Preliminary.

1/ Securities and Exchange Commission estimates of net proceeds.

2/ Investment Bankers Association of America estimates of principal amounts.

3/ Includes \$718.3 million AT&T convertible debenture issue.

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

Other Security Offerings ^{1/}

(In millions of dollars)

	Long-term					
	Foreign government ^{2/}			Federal agency ^{3/}		
	1959	1958	1957	1959	1958	1957
January	77	197	84	199	1,163	72
February	59	54	49	--	251	--
March	2	--	30	175	--	--
April	56	139	123	--	523	125
May	50	200	48	--	--	--
June		120	42		--	60
July		9	28		164	--
August		5	7		--	--
September		17	30		--	215
October		57	4		220	--
November		123	60		--	100
December		74	1		--	--
Year		995	507		2,321	572
	Short-term					
	State and local government ^{4/}			Federal agency ^{3/}		
	1959	1958	1957	1959	1958	1957
January	190	233	326	359	371	638
February	428	460	455	500	208	430
March	295	273	147	489	144	505
April	563	357	205	486	209	336
May	p/407	354	337	675	161	469
June		264	153	289	329	501
July		289	272		437	224
August		423	272		206	370
September		369	252		330	512
October		231	303		454	1,238
November		415	94		114	255
December		243	459		137	116
Year		3,910	3,274		3,098	5,543

^{p/} Preliminary.

^{1/} Data presented in this exhibit differ from those in Exhibit E in that refunding issues, as well as new capital issues, are included. Long-term securities are defined as those maturing in more than one year.

^{2/} Includes securities offered in the United States by foreign governments and their subdivisions and by international organizations. Source: Securities and Exchange Commission.

^{3/} Issues not guaranteed by the U. S. Government. Source: long-term, Securities and Exchange Commission; short-term, Federal Reserve.

^{4/} Principally tax and bond anticipation notes, warrants or certificates and Public Housing Authority notes. In some instances PAA notes included may have a somewhat longer term than one year. Source: Bond Buyer.

H.14

Exhibit G

Large Long-term 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>
1958 - June	281	195	86
July	771	275	41
August	209	109	--
September	825	288	18
October	259	172	209
November	227	259	100
December	305	229	79
1959 - January	369	335	174
February	340	551	35
March	215	369	176
April	359	563	20
May	342	258	50
June	284	635	60

Large Individual Issues Offered July 1 through 17

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>CORPORATE</u>						
Long Island Lighting Co.	1st mtg. bds.	25.0	1989	5 1/4	5.10	A
<u>STATE AND LOCAL GOVERNMENT</u>						
Univ. of Texas, Agr. & Mech. College of Texas	Rev.-Ut.	10.0	1960-79	3.47	2.40-3.50	Aaa
State of Ohio	Rev.-S.T.	31.0	1960-72	3.54	2.40-3.60 ^{4/}	Aa
Univ. of California	Rev.-Q.Ut.	18.0	n.a.	2.88	n.a.	--
<u>OTHER</u>						
Quebec Hydro-Elec. Comm.	Deb.	50.0	1984	5	5.00	A

Footnotes

n.a.--Not available.

1/ Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$10 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.

3/ In the case of State and local government securities, G. O. denotes general obligations; Rev.-Ut., revenue obligations secured only by income from public utilities; Rev.-Q.Ut., revenue bonds secured only by revenue from quasi-utilities; Rev.-S.T., revenue bonds secured by revenue from specific taxes only; Rev.-Rent., revenue bonds secured solely by lease payments.

4/ 1972 maturities not reoffered.

Forthcoming Large Long-term 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/
1958 - June 30	768	225	--	1,048	235	--
July 31	161	55	--	381	125	--
Aug. 29	785	241	--	914	435	--
Sept. 30	113	295	--	216	524	--
Oct. 31	204	258	--	326	675	--
Nov. 28	301	229	71	401	683	71
Dec. 31	210	261	75	370	515	75
1959 - Jan. 30	270	551	45	365	856	45
Feb. 27	148	292	--	279	481	--
Mar. 31	396	550	20	476	761	20
Apr. 30	246	254	50	346	517	50
May 29	287	247	--	332	761	--
June 30	165	146	50	272	500	50

Forthcoming Large Offerings, as of July 17

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Tennessee Gas Transmission Corp.	1st mtg.p.l. bds.	50.0	July 21
Transcontinental Gas Pipe Line Corp.	Pfd. stk.	15.0	July 28
Transcontinental Gas Pipe Line Corp.	1st mtg.p.l. bds.	20.0	July 28
United States Plywood Corp.	Conv. sub. deb.	15.0	July 28
International Recreation Corp.	Com. stk.	17.2	July
Pennsylvania Electric Co.	1st mtg. bds.	15.0	Aug. 4
*Northern States Power Co.	Com. stk.	20.0	Aug. 11 (rights expire)
Pan American World Airways, Inc.	Conv. sub. deb.	47.0	Aug. 12 (rights expire)
Pacific Gas & Electric Co.	1st & ref. mtg. bds.	65.0	Aug. 25
American and Foreign Power Co.	Conv. jr. deb.	22.5	Summer
Commerce Oil Refining Corp.	Deb., bds. & common	45.0	Summer
<u>STATE AND LOCAL GOVERNMENT</u>			
Territory of Hawaii	Rev.-Ut.	12.5	July 21
California Toll Bridge Authority	Rev.-Ut.	34.0	July 28
*Commonwealth of Puerto Rico	G.O.	15.2	July 28
*State of Vermont	G.O.	13.0	July 28
Michigan Highway Department	Rev.-S.T.	50.0	July 30
Commonwealth of Pennsylvania	G.O.	120.0	Aug. 4

Forthcoming Large Offerings, as of July 17 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (Cont'd)</u>			
Los Angeles Sch. Dists., Calif.	G.O.	26.0	Aug. 4
State of Ohio	G.O.	30.0	Aug. 11
Chesapeake Bay Ferry Commission	Rev.-Ut.	144.0	Summer
New York Thruway Authority	Rev.-Ut.	50.0	Summer
<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 \$10 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.

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 - 1958				
High	5.00 (9/14/57)	87	5.50 (11/7/57)	123
Low	2.93 (3/31/54)	-3	3.00 (3/17/54)	-15
1959 - Jan. 7			4.75 ^{2/}	23
20	4.60	34		
28	4.65	40		
Feb. 18	4.35 ^{2/}	4		
Mar. 11	4.40 ^{2/}	11		
25	4.43	9		
26	4.43	9		
31	4.47	13		
Apr. 3			4.67	18
15	4.60	22		
16	4.59 ^{2/}	21		
29	4.55 ^{2/}	7		
May 1			4.85	17
13			5.06	13
14	4.95	38		
20	4.95	34		
21			5.13	27
26	5.00	38		
June 4	4.95	29		
17			4.92 ^{2/}	6
26			5.10	24
July 9			5.10	19
10	4.93	31		
15			5.10	19

*--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.

2/ Provides for a 5-year period during which issue may not be called for refunding at a lower coupon rate. Monthly averages so marked include one or more issues with such a provision. Other issues have no such provision.

3/ Provides for a 7-year period during which issue may not be called for refunding at a lower coupon rate.

Sources and Uses of Funds by
Life Insurance Companies

(In millions of dollars)

	Uses of Funds ^{1/}						Total sources or uses
	Cash	U. S. Govt. securities	Business securities	State and local gov't securities	Mortgages	Other	
1957 - Apr.	28	11	172	10	172	34	427
May	-18	-79	169	26	186	135	419
June	59	-62	184	2	144	65	392
July	-9	5	324	14	163	87	584
Aug.	-30	-32	163	11	195	77	384
Sept.	47	-32	198	7	154	93	467
Oct.	-17	13	244	13	170	6	429
Nov.	22	-92	212	10	132	110	394
Dec.	138	-181	258	10	237	7	469
Value of Assets at End of Year	1,294	7,028	42,133	2,377	35,271	13,206	101,309
1958 - Jan.	-93	171	221	51	191	111	652
Feb.	-51	15	106	10	125	144	349
Mar.	20	-119	277	23	140	60	401
Apr.	-17	11	208	13	113	19	347
May	74	-70	135	28	116	167	450
June	-20	47	194	35	104	140	500
July	20	175	182	24	123	46	570
Aug.	-17	42	128	36	140	147	476
Sept.	-1	7	201	19	139	74	439
Oct.	-19	12	303	25	186	53	560
Nov.	52	25	133	31	146	100	487
Dec.	123	-139	394	13	303	185	879
Value of Assets at End of Year	1,365	7,205	44,615	2,685	37,097	14,452	107,419
1959 - Jan.	-83	280	185	59	114	171	726
Feb.	-57	-71	223	30	139	174	438
Mar.	-14	-185	251	66	136	108	362
Apr.	-24	22	242	49	116	80	485
May	10	-16	193	79	135	97	498
June							

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

Source: Institute of Life Insurance.

Sources and Uses of Funds by
Savings and Loan Associations

(In millions of dollars)

	Uses of Funds 1/				Total sources or uses	Sources of Funds		
	Cash	U. S. Govt. securities	Mortgages 2/	Other assets		Net change savings capital	Borrowing 3/	Other
1957 - Apr.	-49	26	400	115	492	308	11	173
May	39	14	446	140	639	452	21	166
June	185	-40	421	31	597	821	101	-325
July	-320	41	407	-94	34	-52	-37	123
Aug.	-103	24	460	59	440	252	37	151
Sept.	11	26	357	56	450	324	47	79
Oct.	-18	-5	416	87	480	361	16	103
Nov.	86	23	278	60	447	378	10	59
Dec.	431	-65	253	-5	614	923	125	-434
Value of Assets at End of Year	2,146	3,173	40,049	2,770	48,138	41,912	1,379	4,847
1958 ^{p/} - Jan.	-119	44	194	12	131	450	-377	58
Feb.	173	-19	247	8	409	373	-127	163
Mar.	209	-1	335	10	553	484	-89	158
Apr.	116	38	398	102	654	356	113	185
May	38	13	528	100	679	508	-32	203
June	177	81	582	-37	803	937	169	-303
July	-297	40	533	-80	196	62	-39	173
Aug.	-70	111	557	9	607	353	55	199
Sept.	-76	147	574	42	685	440	85	160
Oct.	-108	107	605	131	735	501	58	176
Nov.	44	50	465	102	661	477	41	143
Dec.	338	37	532	-44	863	1,073	215	-425
Value of Assets at End of Year	2,569	3,821	45,599	3,125	55,114	47,926	1,451	5,737
1959 - Jan.	-300	296	410	-53	353	434	-181	100
Feb.	-26	97	427	80	578	408	-57	227
Mar.	1	79	593	92	765	529	-5	241
Apr.	-183	106	704	153	780	420	98	262
May	28	23	750	181	982	604	63	315
June								

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/ 1957 data adjusted to include mortgage pledged shares as currently reported.

3/ Advances from Home Loan Banks and other borrowing.

Source: Federal Savings and Loan Insurance Corporation.

Sources and Uses of Funds by
Mutual Savings Banks

(In millions of dollars)

	Uses of Funds 1/						Sources of Funds		
	Cash	U. S. Govt. secur- ities	Busi- ness secur- ities ^{2/}	State and local govt. secur- ities	Mort- gages	Other	Total sources or uses	Net change in deposits	Other
1957 - Apr.	-56	-76	63	2	121	-20	34	7	27
May	12	-19	62	2	127	62	246	169	77
June	71	-72	72	-1	118	-38	150	265	-115
July	-73	-7	62	7	122	-29	82	16	66
Aug.	-42	11	61	-3	111	28	166	90	76
Sept.	27	-17	55	2	103	18	188	206	-18
Oct.	-24	-136	60	-3	124	-41	-20	34	-54
Nov.	6	-136	93	7	100	38	108	36	72
Dec.	125	-26	75	-7	141	-9	299	405	-106
Value of Assets at End of Year	890	7,552	4,331	682	20,951	761	35,168	31,695	3,473
1958 - Jan.	-60	--	160	23	130	25	278	234	44
Feb.	63	-21	86	4	99	20	251	149	102
Mar.	36	41	86	6	165	9	343	336	7
Apr.	-47	-85	97	4	154	-29	94	93	1
May	-5	-62	120	-19	195	40	269	181	88
June	42	-36	-24	24	253	5	264	300	-36
July	-66	11	34	8	193	-28	152	88	64
Aug.	-5	19	8	2	198	29	251	143	108
Sept.	18	-27	34	2	181	29	237	267	-30
Oct.	-8	-92	-6	-3	195	-46	40	95	-55
Nov.	-38	-32	--	-1	151	43	123	42	81
Dec. ^{3/}	101	-2	47	-7	174	-3	309	418	-109
Value of Assets at End of Year ^{2/}	921	7,266	4,973	725	23,039	855	37,779	34,041	3,738
1959 - Jan. ^{3/}	-96	119	-16	17	208	-58	175	122	53
Feb.	18	39	6	-4	125	32	216	113	103
Mar.	45	62	-31	41	175	38	330	313	17
Apr.	-114	-44	58	-33	155	-32	-10	6	-16
May	8	13	-20	10	161	45	217	120	97
June									

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

2/ Includes Canadian government and political subdivisions, International Bank for Reconstruction and Development, non-guaranteed Federal agency and other bonds as well as corporate bonds and stocks.

3/ Adjusted to eliminate the effect of a merger of a large savings bank with a commercial bank.