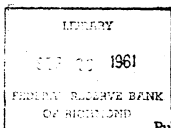


H.14

September 18, 1961.



CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES

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

Public security financing to obtain new capital was in heavy volume last week but is expected to be more moderate this week. Last week, ending September 15, two large corporate security offerings totaling \$51 million were publicly offered and three State and local government issues aggregating \$157 million were sold. This week, ending September 22, no large corporate financing is scheduled, but four State and local issues with par value of \$117 million are on the calendar.

Bond yields. Yields on U. S. Government long-term bonds increased 4 basis points last week to reach a new high for the year while yields on both corporate and State and local government bonds were unchanged.

Short- and intermediate-term interest rates. Changes in yields on short- and intermediate-term U. S. Government issues were minor last week. Yields on 3-month Treasury bills and 3-5 year U. S. Government obligations declined a single basis point while those on 6-month bills rose one basis point. The average effective rate on Federal funds increased 99 basis points to 2.30 per cent from the revised level of the previous week. Other short- and intermediate-term interest rates were unchanged.

Mortgage yields. Average secondary market yields available on 5-1/4 per cent FHA new home mortgages changed little during August, averaging 5.71 per cent, 1 basis point higher than at the end of July. Since yields on new corporate bonds (adjusted to an Aaa-basis) declined slightly, the spread between mortgage and bond yields increased to 112 basis points.

Stock market credit. Customers' credit in the stock market rose \$92 million in August. This increase more than offset small declines in the two preceding months and brought total customer credit outstanding to a new high of \$5,447 million. Customer debit balances, excluding those secured by U. S. Government obligations, increased \$79 million and bank loans to other than brokers and dealers for purchasing and carrying securities rose \$13 million.

Money borrowed by NYSE member firms declined moderately further in August while customers' free credit balances, which had declined in the past two months, rose slightly. These and other data on stock market credit in July and August are shown in the table on the following page.

	End of month		Change
	Aug.	July	
	(Millions of dollars)		
Customer credit			
Excluding U. S. Government securities - total	5,447	5,355	+92
Net debit balances	4,070	3,991	+79
Bank loans to "others"	1,377	1,364	+13
Net debit balances secured by U. S. Govt. securities	49	50	-1
Bank loans to "others" for purchasing or carrying U. S. Government securities	102	106	-4
Broker and dealer credit			
Money borrowed except on U. S. Government securities	2,679	2,728	-49
On customer collateral	2,363	2,393	-30
Money borrowed on U. S. Government securities	56	79	-13
Customers' net free credit balances	1,208	1,207	+1

r/ Revised.

Stock market. Common stock prices, as measured by Standard and Poor's composite index of 500 stocks, declined on balance last week to close at 67.65 on September 15. Trading volume averaged 3.0 million shares a day, 0.4 million shares less than the previous week.

Institutional investors. Total savings inflow during July at three major financial institutions--life insurance companies, savings and loan associations and mutual savings banks--amounted to \$0.6 billion, or 23 per cent less than a year ago. Both life insurance company assets and savings and loan association share capital grew appreciably less this July than last year while the growth in deposits of mutual savings banks was about the same as last year. (Time deposits at commercial banks increased \$0.9 billion, or almost twice as much as last year.) On a seasonally adjusted basis, the total inflow in July was probably about one-eighth less than the average for the first six months of the year when inflow was in record volume; the July growth in both life insurance company assets and savings and loan association shares was substantially below the first half rate while the increase in mutual savings bank deposits was sharply higher.

Life insurance company assets increased \$520 million in July, almost one-fifth less than last year. Net acquisition of business securities of \$271 million were three-fifths larger than last year; part of this, however, reflects a substantial increase in short-term commercial paper holdings. Net acquisitions of real estate mortgages, while in the smallest volume since February, were over twice the unusually low level of a year earlier. Liquid assets, i.e., cash and U. S. Government securities, which together had declined in every other month this year except May, increased moderately in July as they usually do during this month. The increase in government security holdings reflected acquisition of Treasury bills, in contrast to last July when longer term issues were also acquired. Foreign corporate bonds, included

in other assets, continued their fairly substantial increase of the past several months, rising \$0.1 billion in July.

The inflow of savings to savings and loan associations, which had been running at record rates in recent months, rose \$74 million in July, only half as much as a year earlier. Savings inflow is normally low in July as the result of large withdrawals following the crediting of semi-annual dividends at the end of June. Withdrawals this July, however, exceeded those of a year earlier by a larger amount than did new savings. In every other month this year while both new savings capital and withdrawals had exceeded the year earlier rate, the rise in new savings had exceeded that of withdrawals. Net mortgage acquisition of \$732 million, although appreciably less than the record volume of the previous month, were one-fifth larger than in July 1960. In order to meet the increased demand for mortgage lending with a smaller inflow of savings than last year, these associations did not make large repayments of borrowed funds this July as they had a year earlier. Liquid assets were reduced in about the same substantial amount as last year.

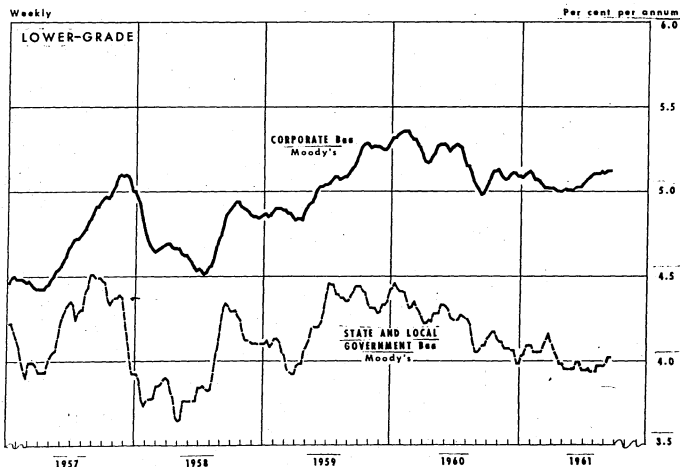
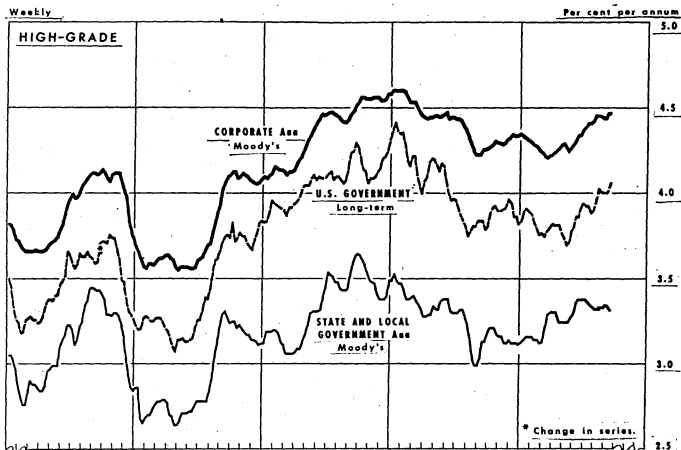
Deposits of mutual savings banks increased by about the same amount as in July 1960. Net acquisition of mortgages of \$201 million in July was the same as in June and one-fourth larger than a year earlier. Cash and Government holdings were reduced less this year than in July 1960, while acquisitions of business securities were in smaller volume.

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.

EXHIBIT A

LONG-TERM BOND YIELDS



Long-term Bond Yields
High-grade

Date	Corporate Aaa 1/	U. S. Govt. long-term 2/	State and local government Aaa 3/	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	.50
1958 - Low	3.55 (5/2)	3.07 (4/25)	2.64 (5/1)	.22	.34
1959-60 - High	4.61 (1/29/60)	4.42 (1/9/60)	3.65 (9/24/59)	.59	.92
1960 - Low	4.23 (9/9)	3.75 (8/5)	2.99 (9/1)	.19	.53
1961 - High	4.46 (9/15)	4.06 (9/15)	3.37 (7/6)	.57	.76
Low	4.21 (3/17)	3.70 (5/12)	3.12 (2/23)	.40	.46
Aug. 18	4.45	4.01	3.33	.44	.68
Aug. 25	4.44	4.01	3.33	.43	.68
Sept. 1	4.44	4.01	3.34	.43	.67
Sept. 8	4.46	4.02	3.34	.44	.68
Sept. 15 p/	4.46	4.06	3.34	.40	.72

Lower-grade

Date	Corporate Baa 1/	State and local govt. Baa 3/	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 - Low	4.51 (7/11)	3.64 (5/1)	.77	.93
1959-60 - High	5.36 (2/12/60)	4.46 (1/7/60)	.84	1.08
1960 - Low	4.98 (9/9)	3.98 (12/29)	.71	.86
1961 - High	5.12 (9/15)	4.16 (3/23)	.81	.93
Low	5.00 (4/21)	3.93 (8/3)	.66	.57
Aug. 18	5.12	3.97	.67	.64
Aug. 25	5.11	3.97	.67	.64
Sept. 1	5.12	3.98	.68	.64
Sept. 8	5.12	4.02	.66	.68
Sept. 15 p/	5.12	4.02	.66	.68

p/ Preliminary.

1/ Weekly average of daily figures. Average term of bonds included is 23-26 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.

For spreads, high refers to widest, and low to narrowest.

EXHIBIT C

SHORT- AND INTERMEDIATE- TERM INTEREST RATES

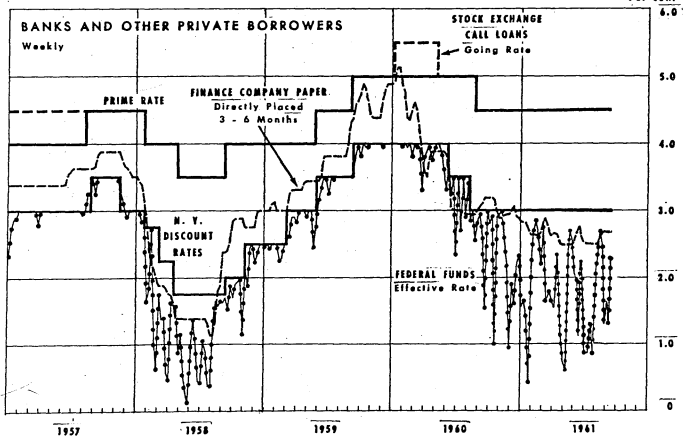
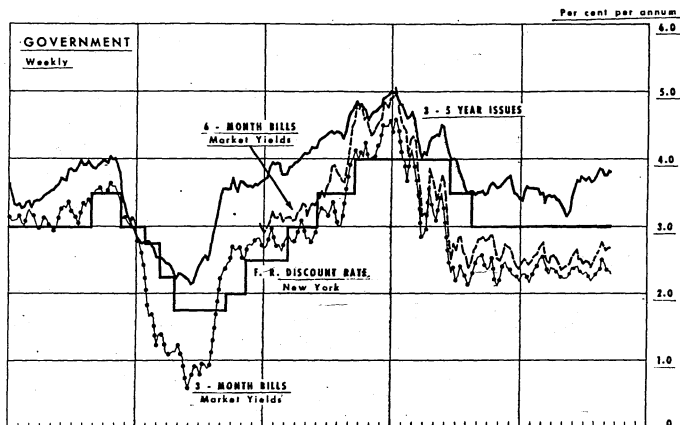


Exhibit D - Tables for Exhibit C

Short- and Intermediate-term Interest Rates

Government

Date	Discount rate 1/	Yields			Spread between yields on	
		3-month bills 2/	6-month bills 2/	3-5 year issues 2/	3-month bills and yields on 6-mo. bills	3-5 yr. issues
(per cent)						
1954 - Low	1.50	.61 (6/11)	--	1.66 (4/30)	--	.66
1957 - High	3.50	3.64 (10/18)	--	4.04 (10/18)	--	.86
1958 - Low	1.75	.58 (5/29)	3.02 (12/26)	2.14 (5/5)	.26	.04
1959-60 - High	4.00	4.59 (1/8/60)	5.07 (1/8/60)	5.00 (12/24/60)	.79	1.81
1960 - Low	3.00	2.11 (10/28)	2.38 (12/30)	3.40 (12/30)	.16	.38
1961 - High	3.00	2.56 (3/3)	2.78 (8/18)	3.86 (8/11)	.39	1.51
Low	3.00	2.17 (1/27)	2.35 (4/28)	3.15 (5/12)	.12	.92
Aug. 18	3.00	2.50	2.78	3.83	.28	1.33
Aug. 25	3.00	2.43	2.71	3.77	.28	1.34
Sept. 1	3.00	2.34	2.65	3.77	.31	1.43
Sept. 8	3.00	2.32	2.67	3.81	.35	1.49
Sept. 15 p/	3.00	2.29	2.68	3.80	.39	1.51

Banks and Other Private Borrowers

Date	Stock Exchange call loan 1/	Prime rate 1/	Finance company paper 3/	Federal funds 4/	Spread between
					3-mo. bills and finance co. paper
(per cent)					
1954 - Low	3.00	3.00	1.25 (12/31)	n.a.	0
1957 - High	4.50	4.50	3.88 (11/15)	3.50 (11/8)	.63
1958 - Low	3.50	3.50	1.13 (8/8)	.13 (5/29)	-.35
1959-60 - High.	5.50	5.00	5.13 (1/22/60)	4.00 (5/13/60)	1.02
1960 - Low	4.50	4.50	2.88 (12/30)	.95 (12/2)	.22
1961 - High	4.50	4.50	2.88 (3/10)	2.85 (2/17)	.56
Low	4.50	4.50	2.50 (7/28)	.43 (1/27)	.11
Aug. 18	4.50	4.50	2.69	2.55	.19
Aug. 25	4.50	4.50	2.69	1.30	.26
Sept. 1	4.50	4.50	2.69	1.65	.35
Sept. 8	4.50	4.50	2.69	1.31	.37
Sept. 15 p/	4.50	4.50	2.69	2.30	.40

1/ Weekly rate shows in effect at end of period. Discount rate is for Federal Reserve Bank of New York. Stock Exchange call loan rate is going rate on call loans secured by customers' stock exchange collateral at New York City banks. Prime rate is that charged by large banks on short-term loans to business borrowers of the highest credit standing.

2/ Market yield; weekly averages computed from daily closing bid prices. Series of 3-5 year issues consists of selected notes and bonds.

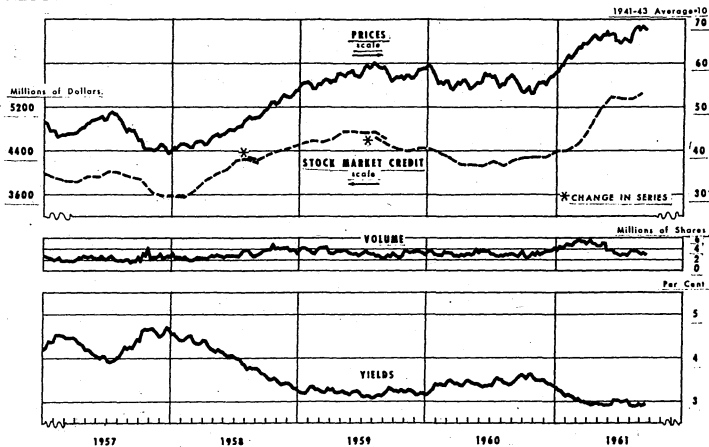
3/ Average of daily rates published by finance companies for directly placed paper for varying maturities in the 90-179 day range.

4/ Weekly average of daily effective rate, which is the rate for the heaviest volume of purchase and sale transactions as reported to the Federal Reserve Bank of New York.

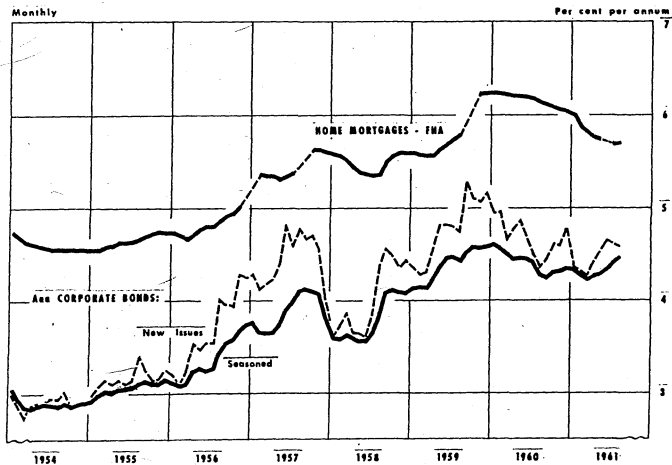
Note.--Highs and lows are for individual series and may be on different dates for different series. For spreads, high refers to widest, and low to narrowest.

EXHIBIT E

STOCK MARKET



MORTGAGE AND BOND YIELDS



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 bal- ances 4/	Bank loans to "others" 5/
(In millions of dollars)						
1957-60 - High	60.51 (7/31/59)	3.08	4.9	4,764 (4/59)	3,401 (4/59)	1,373 (5/59)
Low	39.48 (12/29/57)	4.72	1.4	3,554 (1/58)	2,482 (12/57)	1,060 (11/57)
1961 - High	68.29 (8/18)	2.88	5.8	5,447 (9/61)	4,070 (9/61)	1,378 (8/23)
Low	58.48 (1/6)	3.32	2.7	4,424 (1/61)	3,253 (1/61)	1,161 (3/8)
July	65.38	2.98	3.0	5,355	3,991	1,364
August	67.86	2.90	3.5	5,447	4,070	1,377
Sept. 1	68.19	2.88	3.0	n.a.	n.a.	1,377
Sept. 8	67.88	2.90	3.4	n.a.	n.a.	n.a.
Sept. 15 p/	67.65	2.92	3.0	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 Friday's only. High and low are for Friday's 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.

Mortgage and Bond Yields 1/

Date	FHA mortgages 2/	Aaa corporate bonds 1/		Spread between new corporate bonds and	
		New 3/	Seasoned 4/	FHA mortgages 5/	Seasoned bonds
1953-58 - High	5.63 (11/57)	4.81 (6/57)	4.12 (9/57)	1.96	.90
Low	4.56 (2/55)	2.74 (3/54)	2.84 (4/54)	.54	-.12
1959-60 - High	6.24 (1/60)	5.29 (9/59)	4.61 (1/60)	1.76	.77
Low	5.57 (3/59)	4.29 (2/59)	4.12 (1/59)	.83	.08
1961 - March	5.82	4.26	4.22	1.56	.04
April	5.77	4.42	4.25	1.35	.17
May	5.75	4.51	4.27	1.24	.21
June	n.a.	4.65	4.33	n.a.	.32
July	5.70	4.62	4.41	1.08	.21
August	5.71	4.59	4.45	1.12	.14

1/ Neither mortgage nor bond yields take into account servicing costs which are much higher for mortgages than bonds. Generally, bonds pay interest semi-annually; mortgages, monthly. Mortgage yields, if computed as equivalent to a semiannual interest investment, would be slightly higher than given in the table.

2/ Based on FHA field-office opinions about average bid prices in the private secondary market for new-home mortgages for immediate delivery. Since late 1955, data relate only to 25-year mortgages with downpayments of 10 per cent or more, weighted by probable volume of transactions. Yields computed by FRB, assuming 25-year mortgages are paid off in 12 years. Dashed lines indicate periods of adjustment to changes in the contractual interest rate.

3/ First National City Bank of New York. Averages of offering yields of all new issues of publicly-sold bonds and foreign companies) weighted by size of issue. Yields on Aa and A issues are first adjusted to an Aaa basis by the spread between yields of outstanding bonds in these categories and those on Aaa-rated bonds. The series reflects changes in industrial composition, maturity, type, etc. of new offerings.

4/ Moody's Investors Service. Monthly averages of daily data. See Exhibit B.

Exhibit G

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

(In millions of dollars)

	New capital					
	Corporate 1/			State and local 2/		
	1961	1960	1959	1961	1960	1959
January	580	570	821	716	700	648
February	667	715	738	683	611	859
March	562	860	646	760	568	638
April	2,118	761	894	724	719	934
May	1,259	577	785	628	545	568
June	1,318	1,044	887	1,015	991	987
July	957	736	535	e/450	492	443
August	e/600	967	740	e/600	606	521
September	e/700	726	703	e/750	683	470
October		890	879		348	593
November		956	864		501	450
December		852	900		491	478
1st quarter	1,809	2,145	2,204	2,159	1,880	2,145
2nd quarter	4,695	2,382	2,567	2,367	2,256	2,488
3rd quarter	2,259 e/	2,428	1,979	1,800 e/	1,780	1,433
4th quarter		2,698	2,642		1,340	1,521
1st half	6,504	4,527	4,771	4,526	4,136	4,634
Three quarters	8,761 e/	6,955	6,750	6,326 e/	5,916	6,067
Year		9,653	9,392		7,257	7,588
	Excluding finance companies 3/					
1st quarter	1,554	1,716	1,999			
2nd quarter	4,552	2,165	2,412			
3rd quarter	2,157 e/	2,018	1,716			
4th quarter		2,347	2,503			
Year		8,246	8,630			

e/ Estimated. p/ Preliminary.

1/ Securities and Exchange Commission estimates of net proceeds.

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

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

Exhibit I

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

Proceeds of Large Issues Offered

(In millions of dollars)

Month	Corporate	State and local government	Other <u>2/</u>
1960 - August	581	298	75
September	266	367	25
October	566	46	77
November	465	186	150
December	260	222	99
1961 - January	147	391	--
February	267	360	--
March	70	405	67
April	1,572	383	--
May	557	256	25
June	532	61.6	151
July	475	179	--
August	185	281	100

Large Individual Issues Offered September 1 through 15

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Mountain Fuel Supply Co.	Deb.	18.0	1986	4-7/8	4.80	A
Armour & Co.	Conv. sub. deb.	32.6	1983	4-1/2	4.50	Ba
<u>STATE AND LOCAL GOVERNMENT</u>						
Cheyenne, Wyoming	Rev.-Ut.	10.0	1963-91	3.57	2.00-3.65	Aa
Commonwealth of Mass.	G.O.	46.8	1962-2009	3.29	1.60-3.90	Aa
State of California	G.O.	100.0	1963-87	3.76	2.00-3.85	A
<u>OTHER</u>						
Federal Land Banks	Deb.	73.3	1966	4-1/4	4.25	--

footnotes

- 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.

Exhibit J

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 <u>2/</u>	Corporate	State and local govt.	Other <u>2/</u>
1960 - Aug. 31	216	283	--	731	283	--
Sept. 30	576	212	77	836	336	127
Oct. 31	440	258	50	585	391	50
Nov. 30	260	242	--	335	560	--
Dec. 30	91	412	--	1,036	682	--
1961 - Jan. 31	110	181	--	1,046	360	--
Feb. 28	55	307	--	1,125	638	--
Mar. 31	1,580	559	--	1,700	806	--
Apr. 28	542	236	15	687	579	15
May 31	487	431	75	611	771	75
June 30	521	195	--	666	291	--
July 31	170	406	--	255	537	--
Aug. 31	175	399	73	240	530	73

Forthcoming Large Offerings, as of September 15

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Western Union Telegraph Co.	Com. stk.	45.0	Sept. 25 (rights expire)
Pacific Gas & Electric Co.	1st & ref.mtg.bds.	60.0	Sept. 27
*Public Service Co. of Colorado	1st mtg. bds.	30.0	Oct. 3
*Gulf States Utilities Co.	Deb.	15.0	Oct. 4
*Allied Stores Corp.	Conv. sub. deb.	27.0	Oct. 9 (rights expire)
*Public Service Electric & Gas Co.	Deb.	50.0	Oct. 18
*Georgia Power Co.	1st mtg. bds. & pf.d. stk.	17.0	Oct. 19
*New England Power Co.	1st mtg. bds.	20.0	Oct. 26
Keystone Steel & Wire Co.	Conv. sub. deb.	20.0	Oct.
*Northern Indiana Public Service Co.	Conv. deb.	20.3	Oct. (rights expire)
*Niagara Mohawk Power Co.	Mtg. bds. & com. stk.	70.3	Oct.
*FMC Corp.	Conv. sub. deb.	30.0	Oct.
Rochester Gas & Electric Co.	1st mtg. bds.	15.0	Indefinite
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
Realty Collateral Corp.	Coll. tr. notes	20.0	Indefinite
<u>STATE AND LOCAL GOVERNMENT</u>			
Penna. State School Bldg. Auth.	Rev.-Rent.	24.0	Sept. 19

Forthcoming Large Offerings, as of September 15 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (Cont'd)</u>			
Oklahoma Building Bond Comm.	G.O.	35.5	Sept. 19
Los Angeles, Calif.	Rev.-Ut.	15.0	Sept. 20
New York City, New York	G.O.	42.9	Sept. 20
Detroit, Michigan	G.O.	14.5	Sept. 26
Detroit City Sch. Dist., Mich.	G.O.	10.0	Sept. 26
*Georgia State Sch. Bldg. Auth.	Rev.-Rent.	31.5	Sept. 26
State of Illinois	G.O.	100.0	Sept. 27
*Los Angeles Sch. Dist., Calif.	G.O.	35.0	Oct. 14
*Wayne County, Mich.	G.O.	16.8	Oct. 17
Orleans Parish Sch. Dist., La.	G.O.	10.0	Indefinite
Dade County, Florida	G.O.	46.0	Indefinite
Jacksonville Expressway Auth.	Rev.-Ut.	40.0	Indefinite
State of Kentucky	G.O.	35.0	Indefinite
<u>OTHER</u>			
*Japan Development Bank	Bonds	20.0	Oct. 4

*--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.

Exhibit K

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)
1952-1960 - high	5.30 (12/8/59)	87	5.65 (9/18/59)	123
Low	2.93 (3/31/54)	-8	3.00 (3/17/54)	-15
1961 - Jan. 12	4.60	11		
18	4.55	7		
25	4.44	-2		
Feb. 8			4.60	-2
16			4.65	5
16			4.47	-13
Mar. 23	4.37	8	4.50	5
24			4.40	-5
Apr. 13			4.65 ^{2/}	17
21			4.80 ^{2/}	32
26	4.80	43		
27	4.67	29		
May 17	4.50 ^{2/}	13	4.72	19
18	4.57	20		
19			4.80	27
23	4.65	27		
26			4.94	40
June 8			5.12	55
13			4.92	36
28	4.87	41		
July 13			4.93	29
26	4.65	14		
Aug. 3			4.90	20
9	4.85	29		

- ^{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.

Sources and Uses of Funds by
Life Insurance Companies

	Uses of funds 1/						Total Sources or uses
	Cash	U. S. Govt. secur- ities	Busi- ness secur- ities 2/	State and local govt. secur- ities	Mort- gages	Other	
Value of assets at end of period:	(In millions of dollars)						
1957 - Dec.	1,294	7,028	42,133	2,377	35,271	13,206	101,309
1958 - Dec.	1,363	7,182	44,612	2,691	37,092	14,640	107,580
1959 - Dec.	1,307	6,858	46,901	3,221	39,237	16,126	113,650
1960 - Dec.	1,332	6,444	48,896	3,622	41,798	17,625	119,717
1961 - July	1,304	6,440	50,143	3,786	43,052	18,656	123,381
Changes:							
1959 - July	-25	39	194	110	194	146	658
Aug.	16	95	81	31	167	110	500
Sept.	-39	-181	82	18	207	108	195
Oct.	20	-18	203	14	245	91	555
Nov.	33	-132	195	18	235	146	495
Dec.	99	-168	219	24	304	313	791
1960 - Jan.	-71	153	204	-24	336	-46	552
Feb.	-53	-36	125	25	196	207	464
Mar.	-30	-167	104	35	242	115	299
Apr.	39	-85	134	21	225	95	429
May	-12	-62	231	26	203	128	514
June	33	-102	125	13	192	211	469
July	12	73	167	104	63	206	628
Aug.	4	-40	168	43	226	175	576
Sept.	-51	-6	40	82	179	122	366
Oct.	90	-62	311	33	214	11	597
Nov.	-35	23	198	26	208	102	522
Dec.	99	-103	188	17	277	173	651
1961 - Jan.	-54	101	242	49	210	202	750
Feb.	-9	-3	128	31	135	202	484
Mar.	-50	-7	148	33	208	186	518
Apr.	9	-47	135	34	202	119	452
May	75	63	170	5	170	58	541
June	-33	-150	153	5	182	242	399
July	34	39	271	7	147	22	520
Aug.							
Sept.							
Oct.							
Nov.							
Dec.							

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

2/ Includes securities of domestic corporations only.

Source.--Institute of Life Insurance.

Sources and Uses of Funds by
Savings and Loan Associations

	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
Value of assets at end of period	(In millions of dollars)							
1957 - Dec.	2,146	3,173	40,049	2,770	48,138	41,912	1,379	4,847
1958 - Dec.	2,585	3,819	45,627	3,108	55,139	47,976	1,444	5,719
1959 - Dec.	2,183	4,477	53,194	3,676	63,530	54,583	2,387	6,560
1960 - Dec.	2,715	4,586	60,084	4,104	71,489	62,154	2,191	7,144
1961 - July	2,745	4,987	64,805	4,265	76,802	66,656	2,022	8,124
Changes:								
1959 - July	-431	108	803	-113	367	201	31	135
Aug.	-42	23	740	14	735	394	119	222
Sept.	-52	-7	679	64	684	447	148	89
Oct.	-69	10	626	86	653	396	136	121
Nov.	61	-28	460	141	634	484	56	94
Dec.	371	-25	468	-65	749	1,205	222	-678
p/1960 - Jan.	-301	196	316	-119	92	468	-462	86
Feb.	-34	65	398	65	494	409	-114	199
Mar.	49	-22	547	93	667	623	-126	170
Apr.	-27	-2	565	106	642	372	37	233
May	80	21	635	203	939	630	5	304
June	329	-143	780	-58	908	1,216	211	-519
July	-236	-33	615	-127	219	149	-127	197
Aug.	30	-27	713	2	718	489	22	207
Sept.	24	1	643	63	731	602	49	80
Oct.	104	20	605	85	814	667	-14	161
Nov.	86	36	501	153	776	558	51	167
Dec.	428	-3	572	-38	959	1,388	272	-701
p/1961 - Jan.	-95	93	371	-107	262	591	-465	136
Feb.	59	192	427	71	749	553	-80	276
Mar.	3	107	689	123	922	705	-26	243
Apr.	24	-18	694	113	813	417	88	308
May	149	--	815	216	1,180	800	41	339
June r/	132	31	993	-60	1,096	1,362	274	-540
July	-242	-4	732	-195	291	74	-1	218
Aug.								
Sept.								
Oct.								
Nov.								
Dec.								

r/ Revised. 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/ Data for 1957 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

	Uses of funds 1/						Sources of funds		
	Cash	U. S. Govt. securities	Business securities 2/	State & local govt. securities	Mortgages	Other	Total sources or uses	Net change in deposits	Other
Value of assets at end of period	(In millions of dollars)								
1957 - Dec.	890	7,552	4,331	682	20,951	761	35,168	31,695	3,473
1958 - Dec.	921	7,266	4,973	725	23,039	855	37,779	34,041	3,738
1959 - Dec.	829	6,864	4,849	722	24,768	910	38,942	34,983	3,959
1960 - Dec.	872	6,239	5,080	672	26,709	1,001	40,573	36,353	4,220
1961 - July	833	6,310	5,164	685	27,979	1,001	41,972	37,460	4,513
Changes:									
1959 - July	-79	-13	-47	4	179	-12	32	-54	86
Aug.	3	-12	13	-1	156	33	192	80	112
Sept.	-2	-32	-2	8	160	31	163	197	-34
Oct.	-27	-281	-55	-20	137	-37	-283	-187	-96
Nov.	20	-85	-28	-8	124	42	65	-27	92
Dec.	111	-12	23	-24	132	-12	218	340	-122
1960 - Jan.	-131	-9	-12	-6	159	-12	-11	-68	57
Feb.	37	-11	-9	-9	116	43	167	50	117
Mar.	41	32	52	3	150	41	319	320	-1
Apr.	-86	-148	-19	13	129	-21	-132	-95	-37
May	42	-80	13	-23	161	63	176	58	118
June	108	-93	57	-4	169	-59	178	221	-43
July	-69	-48	38	-4	159	42	118	21	97
Aug.	-6	30	-8	-5	206	6	223	105	118
Sept.	22	-32	32	1	196	14	233	278	-45
Oct.	-8	-156	-4	-6	168	-25	-31	56	-87
Nov.	9	-68	34	-5	171	13	154	39	115
Dec.	84	-42	57	-5	157	-14	237	385	-148
1961 - Jan.	-49	106	3	-5	161	17	233	170	63
Feb.	21	100	-15	--	140	26	272	136	136
Mar.	9	117	46	-1	204	29	404	351	53
Apr.	-51	-216	-11	-2	176	-51	-154	-54	-100
May	30	-13	27	1	187	30	262	114	148
June r/	27	-41	32	22	201	-23	218	367	-149
July	-26	18	2	-2	201	-28	164	23	141
Aug.									
Sept.									
Oct.									
Nov.									
Dec.									

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, nonguaranteed Federal agency and other bonds as well as corporate bonds and stock.

Source.--National Association of Mutual Savings Banks and Federal Deposit Insurance Corporation.