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# FEDERAL RESERVE statistical release

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H.3 (502)

For release at  
4:30 PM EST  
March 28, 1996

## SPECIAL NOTICE

Aggregate data for reserves and the monetary base have been revised to incorporate adjustments for breaks in series resulting from indexations of the low reserve tranche and the reserve requirement exemption levels, and to reflect the annual re-estimates of seasonal factors for required reserves and the surplus vault cash component of the monetary base.<sup>1</sup>

The break adjustments employ the procedure that has been used since 1989.<sup>2</sup> The actual 1996 low reserve tranche was slightly smaller than that estimated in early 1995, while the actual 1996 exemption level was slightly higher. On net, the 1995 data for break-adjusted reserves and the monetary base were revised upward by less than \$20 million.

In order to make 1996 data comparable with historical data, the 1996 data have been adjusted using estimates of the low reserve tranche

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1. The Monetary Control Act of 1980 established a reserve ratio of 3 percent against the first \$25 million in transaction deposits (the low reserve tranche) at each depository institution. Since 1982, the low reserve tranche has been indexed annually by 80 percent of the previous year's (June 30 to June 30) growth rate of net transaction deposits at all depository institutions. At present, the low reserve tranche is \$52.0 million.

Under the Garn-St Germain Depository Institutions Act of 1982, the first \$2 million of reservable liabilities of each depository institution were exempted from reserve requirements. Since 1983, this exemption amount has been indexed annually by 80 percent of the previous year's (June 30 to June 30) growth rate of total reservable liabilities at all depository institutions. At present, the reserve exemption level is \$4.3 million.

Both of these indexations take effect in the reserve computation periods containing January 1.

2. For details, see the H.3 released on May 4, 1989.

and reserve requirement exemption that will take effect in January 1997. These estimates were revised to reflect an extrapolation of the actual monthly growth from June 1995 to February 1996 of seasonally adjusted net transaction deposits and reservable liabilities, respectively. The new estimates of \$48.3 million for the low reserve tranche and of \$4.3 million for the exemption level resulted in small downward revisions to 1996 data for break-adjusted reserves and the monetary base.

Revised historical data will soon be available from the Money and Reserves Projection Section, Division of Monetary Affairs, mail stop 72, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3062. The historical data will also be available on floppy diskette for a fee of \$25 per diskette from the Federal Reserve Board's Publications Section, mail stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3245. Revised historical data for reserves measures and components will also be available shortly on the Economic Bulletin Board of the U.S. Commerce Department. Call (202) 482-1986 for information on how to access the Commerce bulletin board.

# FEDERAL RESERVE statistical release



H.3 (502)

Table 1

## AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Adjusted for changes in reserve requirements<sup>1</sup>

Averages of daily figures, seasonally adjusted unless noted otherwise

Millions of dollars

For release at 4:30 p. m. Eastern Time

MARCH 28, 1996

| Date                    | Reserves of depository institutions |                          |   |          |                         | Monetary base <sup>6</sup> | Borrowings of depository institutions from the Federal Reserve, NSA |          |                              |
|-------------------------|-------------------------------------|--------------------------|---|----------|-------------------------|----------------------------|---|----------|------------------------------|
|                         | total <sup>2</sup>                  | nonborrowed <sup>3</sup> | nonborrowed plus extended credit <sup>4</sup> | required | excess NSA <sup>5</sup> |                            | total   | seasonal | extended credit <sup>4</sup> |
| 1995-FEB.               | 58857                               | 58798                    | 58798   | 57911    | 946                     | 422421                     | 59  | 33       | 0                            |
| MAR.                    | 58500                               | 58431                    | 58431   | 57706    | 794                     | 425165                     | 69  | 51       | 0                            |
| APR.                    | 57988                               | 57877                    | 57877   | 57235    | 753                     | 427551                     | 111   | 82       | 0                            |
| MAY                     | 57801                               | 57651                    | 57651   | 56921    | 880                     | 430112                     | 150   | 137      | 0                            |
| JUNE                    | 57383                               | 57110                    | 57110   | 56418    | 964                     | 429308                     | 272   | 172      | 0                            |
| JULY                    | 57680                               | 57309                    | 57309   | 56590    | 1090                    | 429822                     | 371   | 231      | 0                            |
| AUG.                    | 57499                               | 57217                    | 57217   | 56512    | 988                     | 430807                     | 282   | 258      | 0                            |
| SEP.                    | 57344                               | 57066                    | 57066   | 56394    | 950                     | 431685                     | 278   | 252      | 0                            |
| OCT.                    | 56839                               | 56593                    | 56593   | 55758    | 1081                    | 432737                     | 245   | 199      | 0                            |
| NOV.                    | 56333                               | 56129                    | 56129   | 55390    | 943                     | 433206                     | 204   | 73       | 0                            |
| DEC.                    | 56364                               | 56106                    | 56106   | 55086    | 1278                    | 435008                     | 257   | 40       | 0                            |
| 1996-JAN.               | 55606                               | 55568                    | 55568   | 54121    | 1485                    | 435151                     | 38  | 7        | 0                            |
| FEB. p                  | 54848                               | 54813                    | 54813   | 53997    | 851                     | 433619                     | 35  | 7        | 0                            |
| <b>Two weeks ending</b> |                                     |                          |   |          |                         |                            |   |          |                              |
| 1996-JAN. 31            | 55253                               | 55238                    | 55238   | 53928    | 1326                    | 434595                     | 16  | 5        | 0                            |
| FEB. 14                 | 54697                               | 54673                    | 54673   | 53984    | 713                     | 432974                     | 24  | 7        | 0                            |
| 28                      | 54945                               | 54898                    | 54898   | 53975    | 970                     | 434146                     | 47  | 8        | 0                            |
| MAR. 13p                | 55595                               | 55580                    | 55580   | 54488    | 1107                    | 435265                     | 15  | 8        | 0                            |
| 27pe                    | 55968                               | 55949                    | 55949   | 54840    | 1129                    | 438151                     | 20  | 12       | 0                            |

1. Reserves and monetary base figures incorporate adjustments for discontinuities, or "breaks", associated with regulatory changes in reserve requirements. (For more information, see Table 3.)
2. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves plus unadjusted excess reserves. (Also, see footnote 2 on Table 2 and footnote 2 on Table 3.)
3. Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves less unadjusted total borrowings of depository institutions from the Federal Reserve.
4. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.
5. Excess reserves NSA equals unadjusted total reserves (Table 2, column 1) less unadjusted required reserves (Table 2, column 3).
6. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves plus (2) the seasonally adjusted currency component of the money stock plus (3), for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves, the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements. (Also see footnote 3 on Table 2 and footnote 4 on table 3.)

p preliminary  
pe preliminary estimate

**AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE**Not adjusted for changes in reserve requirements<sup>1</sup>

Averages of daily figures, not seasonally adjusted

Millions of dollars

| Date                    | Reserves of depository institutions |             |          | Monetary base <sup>3</sup> | Reserve balances with F.R. Banks <sup>4</sup> | Vault cash <sup>5</sup> |  |                      | Net carryover of reserve balances <sup>8</sup> |
|-------------------------|-------------------------------------|-------------|----------|----------------------------|---|-------------------------|--|----------------------|--|
|                         | total <sup>2</sup>                  | nonborrowed | required |                            |   | total                   | used to satisfy required reserves <sup>6</sup> | surplus <sup>7</sup> |  |
| 1995-FEB.               | 57699                               | 57639       | 56752    | 423570                     | 21758   | 39804                   | 35941  | 3863                 |  |
| MAR.                    | 57583                               | 57514       | 56789    | 427556                     | 22649   | 38536                   | 34934  | 3602                 |  |
| APR.                    | 58874                               | 58763       | 58120    | 432789                     | 24217   | 38118                   | 34657  | 3461                 |  |
| MAY                     | 56757                               | 56607       | 55877    | 433468                     | 21476   | 39036                   | 35281  | 3755                 |  |
| JUNE                    | 57044                               | 56771       | 56079    | 434568                     | 21058   | 39821                   | 35986  | 3835                 |  |
| JULY                    | 57390                               | 57019       | 56300    | 435563                     | 20840   | 40530                   | 36550  | 3980                 |  |
| AUG.                    | 56819                               | 56537       | 55832    | 435589                     | 20565   | 40186                   | 36255  | 3932                 |  |
| SEP.                    | 57159                               | 56882       | 56209    | 436203                     | 20519   | 40652                   | 36640  | 4012                 |  |
| OCT.                    | 56400                               | 56154       | 55319    | 436338                     | 20055   | 40564                   | 36345  | 4219                 |  |
| NOV.                    | 56397                               | 56193       | 55454    | 438191                     | 20066   | 40576                   | 36332  | 4244                 |  |
| DEC.                    | 57900                               | 57643       | 56622    | 444452                     | 20440   | 42117                   | 37460  | 4657                 |  |
| 1996-JAN.               | 56934                               | 56896       | 55449    | 441938                     | 17763   | 44790                   | 39170  | 5620                 |  |
| FEB. p                  | 53749                               | 53715       | 52898    | 436213                     | 16792   | 42205                   | 36957  | 5248                 |  |
| <b>Two weeks ending</b> |                                     |             |          |                            |   |                         |  |                      |  |
| 1996-JAN. 31            | 54681                               | 54666       | 53356    | 437411                     | 15055   | 46042                   | 39626  | 6416                 | 238  |
| FEB. 14                 | 54001                               | 53977       | 53288    | 436507                     | 15546   | 44132                   | 38455  | 5677                 | 485  |
| 28                      | 53406                               | 53359       | 52436    | 435681                     | 17938   | 40326                   | 35468  | 4858                 | 125  |
| MAR. 13p                | 55032                               | 55017       | 53925    | 439532                     | 18189   | 41536                   | 36844  | 4692                 | 22   |
| 27pe                    | 54525                               | 54506       | 53397    | 441111                     | 18522   | 40438                   | 36004  | 4434                 | 115  |

1. Reflects actual required reserves, with no adjustments to eliminate the effects of discontinuities, or "breaks", associated with regulatory changes in reserve requirements.

2. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements.

3. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks plus (3) the currency component of the money stock plus (4), for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves, the difference between current vault cash and the amount applied to satisfy current reserve requirements. After the introduction of CRR, currency and vault cash figures are measured over computation periods ending on Mondays.

4. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance sheet "as-of" adjustments.

5. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements. Starting with the maintenance period ended November 25, 1992, each maintenance period for weekly reporters ends 16 days after the lagged computation period in which the vault cash is held. Previously, each maintenance period ended 30 days after the lagged computation period.

6. All vault cash held during the lagged computation period by "bound" institutions (i.e., those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (i.e., those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.

7. Total vault cash held by depository institutions minus the amount applied to satisfy reserve requirements.

8. Consists of carryover only at depository institutions maintaining reserves on the basis of two-week maintenance periods. Reflects excess (+) or deficit (-) reserves eligible to be carried forward into the two-week reserve maintenance period ending on the date shown.

p preliminary

pe preliminary estimate

**AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE**Adjusted for changes in reserve requirements<sup>1</sup>

Averages of daily figures, not seasonally adjusted

Millions of dollars

| Date                    | Reserves of depository institutions |             |                       | Monetary base <sup>4</sup> |
|-------------------------|-------------------------------------|-------------|-----------------------|----------------------------|
|                         | total <sup>2</sup>                  | nonborrowed | required <sup>3</sup> |                            |
| 1995-FEB.               | 57725                               | 57666       | 56779                 | 419253                     |
| MAR.                    | 57627                               | 57558       | 56832                 | 423273                     |
| APR.                    | 58935                               | 58824       | 58182                 | 428744                     |
| MAY                     | 56831                               | 56681       | 55951                 | 429294                     |
| JUNE                    | 57136                               | 56863       | 56172                 | 430271                     |
| JULY                    | 57498                               | 57127       | 56409                 | 431306                     |
| AUG.                    | 56944                               | 56662       | 55956                 | 431092                     |
| SEP.                    | 57304                               | 57026       | 56354                 | 431635                     |
| OCT.                    | 56558                               | 56313       | 55477                 | 431595                     |
| NOV.                    | 56572                               | 56368       | 55629                 | 433220                     |
| DEC.                    | 58021                               | 57763       | 56743                 | 439027                     |
| 1996-JAN.               | 56950                               | 56912       | 55465                 | 435990                     |
| FEB. p                  | 53804                               | 53769       | 52953                 | 430239                     |
| <u>Two weeks ending</u> |                                     |             |                       |                            |
| 1996-JAN. 31            | 54712                               | 54697       | 53386                 | 431065                     |
| FEB. 14                 | 54048                               | 54024       | 53334                 | 430205                     |
| 28                      | 53467                               | 53420       | 52497                 | 430040                     |
| MAR. 13p                | 55111                               | 55096       | 54004                 | 433496                     |
| 27pe                    | 54619                               | 54600       | 53491                 | 435293                     |

Note: Historical data are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of The Federal Reserve System, Washington, D.C. 20551

1. Figures reflect adjustments for discontinuities, or "breaks", associated with regulatory changes in reserve requirements.
2. Break-adjusted total reserves equal break-adjusted required reserves (Table 3, column 3) plus excess reserves NSA (Table 1, column 5).
3. To adjust required reserves for discontinuities due to regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves are equal to break-adjusted required reserves against transactions deposits.
4. The break-adjusted monetary base equals (1) break-adjusted total reserves plus (2) the (unadjusted) currency component of the money stock plus (3), for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves, the break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

p preliminary  
pe preliminary estimate