
FEDERAL RESERVE statistical release



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

H.3 (502)

June 8, 2000

SPECIAL NOTICE

Data for reserves and the monetary base have been updated to incorporate revisions to historical data that are not seasonally adjusted (n.s.a.) and to the factors that adjust for discontinuities in required reserves, including annual indexations of the low reserve tranche and the reserve requirement exemption levels (break factors). Starting in February 1984, seasonal factors for required reserves and the surplus vault cash component of the monetary base have been re-estimated using the revised break-adjusted n.s.a. data.¹

The revisions to break-adjusted, seasonally adjusted data for any maintenance period generally were small, with a few exceptions that amount to about \$600 million for reserves and about \$1.5 billion for the monetary base in individual periods. The historical revisions to n.s.a. data for reserves and the monetary base reflect a re-aggregation of revised data from depository institutions.

The revisions to the break-adjusted data for reserves and the monetary base that result from annual indexations begin in January 1999. The actual 2000 low reserve tranche and reserve requirement exemption levels are a bit lower than those estimated in early 1999. The differences between the actual and the previously estimated low reserve tranche and exemption levels result in upward adjustments to the 1999 data of less than \$200 million.

1. The Monetary Control Act of 1980 established a reserve ratio of 3 percent against the first \$25 million in net transaction deposits (low reserve tranche) at each depository institution. Since 1982, the low reserve tranche has been indexed each January 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 \$44.3 million.

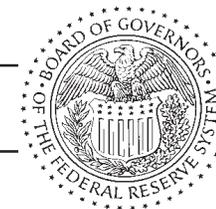
Under the Garn-St Germain Depository Institutions Act of 1982, the first \$2 million of reservable liabilities of each depository institution was exempted from reserve requirements. Since 1983, this exemption amount has been indexed each year by 80 percent of the rate of increase of the reservable liabilities at all depository institutions over the preceding year (June 30 to June 30). At present, the reserve exemption level is \$5.0 million.

Both of these indexations take effect each year in a reserve maintenance period that begins around January 1 for weekly respondents to the FR 2900 report.

To make 2000 data comparable with historical data, the 2000 data have been break-adjusted using estimates of the low reserve tranche and reserve requirement exemption that will take effect in January 2001. The estimate for the low reserve tranche for 2001 was updated by extrapolating the actual growth rate of seasonally adjusted net transaction deposits from June 1999 to April 2000, and that for the reserve requirement exemption was updated by extrapolating the actual growth rate of total reservable liabilities over the same period. The updated estimates of \$43.7 million for the low reserve tranche and \$5.1 million for the exemption level are close to preliminary estimates made last year, resulting in revisions to the 2000 data under \$20 million.

Revised historical data for measures of reserves will soon be available in printed form from the Monetary and Reserve Analysis Section, Division of Monetary Affairs, Mail Stop 72, Board of Governors of the Federal Reserve System, NW, Washington, DC 20551, (202) 452-3062. See the note at the end of table 3 of this release for information on how to obtain current and historical data for the reserve aggregates and the monetary base as well as their components through the Federal Reserve's web site and other electronic means.

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Table 1

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Adjusted for changes in reserve requirements¹

Averages of daily figures, seasonally adjusted unless noted otherwise

Millions of dollars

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Date	Reserves of depository institutions				Monetary base ⁵	Borrowings of depository institutions from the Federal Reserve, NSA			
	total ²	nonborrowed ³	required	excess NSA ⁴		total ⁶	adjustment	seasonal	Special Liquidity Facility ⁷
1999-May	44381	44254	43159	1222	533813	127	39	89	
June	42758	42613	41463	1295	536549	145	18	127	
July	42035	41726	40911	1124	540488	309	83	226	
Aug.	41910	41566	40750	1160	544354	344	72	271	
Sep.	41772	41434	40563	1209	550333	338	56	282	
Oct.	41339	41058	40189	1150	557847	281	52	221	8
Nov.	41560	41325	40231	1330	569432	236	157	71	7
Dec.	41742	41422	40434	1308	591188	320	179	67	74
2000-Jan.	43113	42739	41088	2025	591965	374	296	31	46
Feb.	41635	41527	40521	1113	573419	108	45	44	19
Mar.	40453	40274	39244	1209	571162	179	101	71	7
Apr.	40919	40615	39768	1152	572449	304	184	120	0
May p	41347	40985	40390	957	573445	362	86	276	
Two weeks ending									
2000-Apr. 5	41093	40904	39461	1632	572332	189	104	85	0
19	40322	39954	39238	1083	572286	368	264	104	0
May 3	41601	41325	40581	1019	572708	276	120	156	
17	40573	40271	39660	913	572704	303	65	238	
31p	42066	41626	41078	987	574344	440	100	340	

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 Excess reserves NSA equals unadjusted total reserves (Table 2, column 1) less unadjusted required reserves (Table 2, column 3).

5 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.)

6 Total borrowing includes borrowing under the extended credit program.

7 Borrowing at the discount window under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999 through April 7, 2000.

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Table 2

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Not adjusted for changes in reserve requirements¹

Averages of daily figures, not seasonally adjusted

Millions of dollars

Date	Reserves of depository institutions			Monetary base ³	Reserve balances with F.R. Banks ⁴	Vault cash ⁵			Net carryover of reserve balances ⁸
	total ²	nonborrowed	required			total	used to satisfy required reserves ⁶	surplus ⁷	
1999-May	44828	44700	43606	539942	10019	42590	34809	7781	
June	42331	42186	41036	542732	8467	42624	33864	8760	
July	41762	41452	40637	548006	7745	44081	34017	10064	
Aug.	41702	41358	40542	550773	7721	44603	33981	10622	
Sep.	41314	40976	40105	555336	7646	44448	33669	10779	
Oct.	40733	40451	39583	562681	6777	47039	33956	13083	
Nov.	40970	40735	39641	578975	6283	50830	34688	16142	
Dec.	41655	41334	40347	607934	5263	60630	36392	24238	
2000-Jan.	44232	43859	42207	604626	5169	74015	39063	34952	
Feb.	42095	41987	40982	579134	5078	63764	37017	26747	
Mar.	39742	39563	38533	576917	6515	48946	33227	15719	
Apr.	40584	40280	39433	577910	7078	46454	33507	12947	
May p	41548	41186	40591	579385	7655	44634	33893	10740	
Two weeks ending									
2000-Apr. 5	40516	40327	38883	577090	7186	48613	33330	15283	61
19	39600	39232	38516	578091	6715	47144	32885	14259	84
May 3	41869	41593	40849	578052	7491	44594	34378	10216	71
17	40842	40540	39929	579048	7615	44116	33227	10889	91
31p	42185	41745	41198	580008	7730	45160	34455	10705	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. 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 Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrifts that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.

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 eligible to satisfy reserve requirements, held by depository institutions not exempt from reserve requirements, minus the amount used 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.

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Table 3

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Adjusted for changes in reserve requirements¹

Averages of daily figures, not seasonally adjusted

Millions of dollars

Date	Reserves of depository institutions			Monetary base ⁴
	total ²	nonborrowed	required ³	
1999-May	44925	44798	43703	533142
June	42446	42301	41151	535874
July	41899	41590	40775	541017
Aug.	41861	41518	40702	543894
Sep.	41496	41158	40287	548405
Oct.	40935	40653	39785	555697
Nov.	41195	40960	39866	572012
Dec.	41889	41568	40580	600632
2000-Jan.	44229	43856	42204	596899
Feb.	42102	41994	40989	571789
Mar.	39754	39575	38545	570029
Apr.	40600	40296	39449	571090
May p	41568	41206	40611	572552
Two weeks ending				
2000-Apr. 5	40530	40341	38897	570107
19	39616	39249	38533	571315
May 3	41885	41610	40866	571251
17	40861	40559	39948	572139
31p	42207	41767	41220	573244

Note: Current and historical H.3 data are available each week on the Federal Reserve Board's web site (<http://www.federalreserve.gov/>). Monthly data are available back to January 1959, and weekly data are available back to January 1975 for most series. For information about individual copies or subscriptions, contact Publications Services at the Federal Reserve Board (phone 202-452-3245, fax 202-728-5886). For paid electronic access to current and historical data, call STAT-USA at 1-800-782-8872 or 202-482-1986.

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.

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