
FEDERAL RESERVE statistical release



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

H.3 (502)

May 20, 2004

SPECIAL NOTICE

Data on reserves and the monetary base have been revised to reflect the results of annual reviews of break factors and seasonal factors. Revisions to seasonal factors start in August 1998, and they are the major source of revisions to the data. Revisions to break factors begin in January 2003, and revisions to break-adjusted data do not exceed \$600 million in any maintenance period. The maximum revision to total reserves, nonborrowed reserves, required reserves, and the monetary base (Table 1) in any maintenance period was \$1.1 billion; most revisions were less than \$500 million.

Break factors remove discontinuities (or “breaks”) associated with regulatory changes in reserve requirements, such as the annual indexations of the low-reserve tranche and the reserve requirement exemption levels.¹ Seasonal factors for required reserves and the surplus vault cash component of the monetary base have been reestimated with the revised break-adjusted data.

A more detailed description of the methods for constructing break factors and seasonal factors is available under “Annual Review of Break and Seasonal Factors” on the Federal Reserve’s web site (<http://www.federalreserve.gov/releases/h3/hist/>). Historical data, updated each week, are available there as well. For paid electronic access to current and historical data, call STAT-USA at 1-800-782-8872 or 202-482-1986.

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. For all reserve maintenance periods ending in 2004, the low-reserve tranche is \$45.4 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). For all reserve maintenance periods ending in 2004, the reserve exemption level is \$6.6 million.

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Table 1

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Adjusted for changes in reserve requirements¹

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	primary	secondary	seasonal
Month⁶									
2003-Apr.	40696	40666	39153	1542	696642	29	8	0	21
May	40885	40829	39263	1622	700150	55	3	0	53
June	42351	42190	40489	1862	702785	161	87	0	74
July	43314	43184	41380	1935	705363	130	21	0	110
Aug.	45581	45253	41814	3767	710239	329	168	15	146
Sep.	44283	44102	42768	1515	712136	181	23	0	158
Oct.	43475	43368	41926	1549	715939	107	13	0	94
Nov.	43049	42981	41486	1563	718992	68	25	0	43
Dec.	42839	42794	41182	1658	720980	46	17	0	29
2004-Jan.	43209	43103	41683	1525	722589	106	93	0	13
Feb.	42976	42934	41141	1835	724124	42	28	0	14
Mar.	44629	44578	42807	1823	725609	51	23	0	28
Apr. p	45597	45511	43836	1761	728652	86	29	0	57
Two weeks ending⁷									
2004-Mar. 17	44861	44811	42870	1991	724820	51	28	0	23
31	44637	44582	42948	1689	726824	55	19	0	36
Apr. 14	45147	45068	43227	1920	728151	79	35	0	45
28	46052	45961	44415	1637	728928	91	25	0	66
May 12p	45564	45465	44046	1518	730231	99	11	0	88

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 Prorated averages of biweekly averages.

7 Averages of daily figures.

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Table 2

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASENot adjusted for changes in reserve requirements¹

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	
Month⁹									
2003-Apr.	41177	41147	39634	709103	10600	41894	30577	11317	
May	41786	41731	40165	712768	11414	41548	30372	11176	
June	41864	41703	40002	714370	11307	41917	30557	11360	
July	43594	43464	41659	717039	12180	42642	31414	11228	
Aug.	46105	45777	42338	720544	14142	43008	31963	11045	
Sep.	44431	44250	42915	720729	12485	43063	31946	11117	
Oct.	43207	43100	41658	724472	11672	43318	31535	11783	
Nov.	42667	42599	41105	729499	11531	42608	31137	11472	
Dec.	42944	42898	41286	737623	10860	44077	32084	11993	
2004-Jan.	45433	45327	43908	736233	11560	46572	33874	12698	
Feb.	43829	43788	41994	734852	10864	46426	32966	13461	
Mar.	44064	44013	42241	736258	11942	44381	32122	12259	
Apr. p	45970	45884	44209	740120	14005	42842	31964	10877	
Two weeks ending¹⁰									
2004-Mar. 17	42687	42636	40696	735085	11846	43669	30841	12828	197
31	45292	45237	43603	737867	11980	45112	33312	11800	109
Apr. 14	43231	43152	41311	739529	12094	42793	31137	11657	138
28	48905	48814	47268	740647	16025	42959	32880	10079	205
May 12p	44599	44500	43081	740573	13248	42359	31352	11008	168

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.

9 Prorated averages of biweekly averages.

10 Averages of daily figures.

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Table 3

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Adjusted for changes in reserve requirements¹

Not seasonally adjusted

Millions of dollars

Date	Reserves of depository institutions			Monetary base ⁴
	total ²	nonborrowed	required ³	
Month⁵				
2003-Apr.	41018	40989	39476	697745
May	41566	41511	39944	701463
June	41604	41442	39741	703193
July	43268	43138	41334	705643
Aug.	45712	45383	41945	709013
Sep.	43976	43796	42461	708990
Oct.	42693	42586	41144	712686
Nov.	42099	42031	40536	717172
Dec.	42449	42404	40791	725210
2004-Jan.	45369	45263	43843	725105
Feb.	43765	43723	41930	723886
Mar.	43958	43906	42135	725457
Apr. p	45802	45716	44041	729734
Two weeks ending⁶				
2004-Mar. 17	42590	42539	40599	723968
31	45170	45115	43481	727317
Apr. 14	43094	43015	41174	728884
28	48712	48621	47075	730561
May 12p	44392	44293	42874	729886

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.

5 Prorated averages of biweekly averages.

6 Averages of daily figures.

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