
FEDERAL RESERVE statistical release



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

H.3 (502)

June 14, 2007

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 January 1999, and they are the major source of revisions to the data. Revisions to break factors begin in January 2006, and revisions to break-adjusted data do not exceed \$120 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 \$1.3 billion; most revisions were less than \$600 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 2007, the low-reserve tranche is \$45.8 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 2007, the reserve exemption level is \$8.5 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									
2006-May	44653	44478	42849	1804	804413	175	24	0	151
June	45173	44920	43388	1784	804378	253	16	0	237
July	44135	43784	42589	1546	804007	350	39	0	312
Aug.	42838	42469	41304	1534	804600	369	26	0	343
Sep.	43113	42710	41352	1761	805350	403	66	0	338
Oct.	42891	42663	41218	1674	806900	229	24	0	205
Nov.	43185	43025	41479	1706	810085	160	48	0	112
Dec.	43315	43124	41498	1817	812579	191	111	0	80
2007-Jan.	42199	41988	40658	1540	813411	211	187	0	24
Feb.	42435	42405	40929	1506	812172	30	8	0	22
Mar.	42340	42286	40696	1644	813799	54	21	5	28
Apr.	42722	42643	41189	1533	816098	79	32	0	48
May p	43160	43057	41716	1444	817933	103	14	0	90
Two weeks ending⁷									
2007-Apr. 11	42760	42680	40949	1810	815014	80	44	0	36
25	42072	41990	40739	1333	816039	83	32	0	52
May 9	44462	44391	42977	1485	818651	71	6	0	65
23	41918	41805	40623	1296	817043	113	22	0	92
June 6p	43868	43745	42210	1659	818683	124	10	0	114

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									
2006-May	45440	45265	43636	811900	10650	48294	34789	13504	
June	45048	44795	43264	812213	9911	48982	35137	13845	
July	44864	44513	43318	811744	9611	49617	35253	14365	
Aug.	42683	42314	41149	809737	8794	50243	33888	16355	
Sep.	42612	42208	40851	809990	9111	49402	33501	15901	
Oct.	41755	41526	40081	809234	8254	50093	33502	16591	
Nov.	42234	42074	40528	815381	8455	48961	33779	15181	
Dec.	43282	43091	41465	825289	8479	50901	34803	16098	
2007-Jan.	44658	44447	43118	823718	8801	52165	35857	16309	
Feb.	42665	42635	41159	819695	7722	53737	34943	18795	
Mar.	40772	40718	39128	820795	7519	49731	33253	16478	
Apr.	42550	42470	41016	822638	8561	48805	33989	14816	
May p	44028	43924	42583	825093	9205	48651	34823	13828	
Two weeks ending¹⁰									
2007-Apr. 11	39906	39826	38095	821613	7781	49002	32125	16877	163
25	43948	43866	42615	822897	8689	48912	35259	13653	157
May 9	44451	44381	42966	824168	9920	48075	34531	13544	62
23	43722	43609	42426	824221	8664	49392	35058	14334	-4
June 6p	44087	43964	42428	827661	9346	48003	34741	13262	-117

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				
2006-May	45518	45344	43715	804750
June	45143	44890	43359	804938
July	44974	44623	43428	804674
Aug.	42799	42430	41265	802726
Sep.	42737	42334	40977	803169
Oct.	41882	41653	40208	802355
Nov.	42370	42211	40665	808597
Dec.	43362	43171	41545	818400
2007-Jan.	44646	44435	43106	816823
Feb.	42691	42662	41185	812911
Mar.	40813	40759	39169	813942
Apr.	42605	42526	41072	815963
May p	44097	43993	42652	818621
Two weeks ending⁶				
2007-Apr. 11	39955	39876	38145	814652
25	44006	43923	42673	816373
May 9	44514	44443	43029	817694
23	43791	43678	42495	817788
June 6p	44164	44040	42505	821121

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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