H.3 (502)   June 26, 2008

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 2007, and revisions to break-adjusted data do not exceed $100 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 $1.0 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 indexation 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 website (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.

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1. The Monetary Control Act of 1980 established a reserve ratio of 3 percent against the first $25 million in net transaction accounts (low reserve tranche) at each depository institution. Since 1982, the low reserve tranche has been indexed each year by 80 percent of the growth in net transaction accounts of all depository institutions over the one-year period ending on the most recent June 30. For all reserve maintenance periods ending in 2008, the low reserve tranche is $43.9 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 growth in total reservable liabilities of all depository institutions measured over the one-year period ending on the most recent June 30. For all reserve maintenance periods ending in 2008, the reserve exemption level is $9.3 million.

FEDERAL RESERVE statistical release

H.3 (502)
Table 1

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Adjusted for changes in reserve requirements[1]
Seasonally adjusted unless noted otherwise
Millions of dollars

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

June 26, 2008

Date	Reserves of depository institutions				Monetary base[5]	Term auction credit, NSA	Other borrowings from the Federal Reserve, NSA				
	Total[2]	Nonborrowed[3]	Required	Excess, NSA[4]			Primary	Secondary	Seasonal	Primary dealer credit facility	Other credit extensions
Month[6]											
2007-May	43181	43077	41728	1453	818680		14	0	90		
June	43369	43182	41618	1751	819825		43	0	145		
July	41816	41554	40179	1637	821128		45	0	217		
Aug.	45018	44043	40189	4828	824439		701	19	255		
Sep.	42668	41101	40942	1726	821972		1345	0	221		
Oct.	42443	42188	41008	1435	824655		126	13	115		
Nov.	42672	42306	40976	1696	825471		315	0	50		
Dec.	42704	27273	40952	1752	823268	11613	3787	1	30		
2008-Jan.	42152	-3507	40519	1633	821416	44516	1137	0	6		
Feb.	42856	-17301	41146	1709	822524	60000	155	0	3		
Mar.	44259	-50264	41269	2990	826999	75484	1617	0	6	16168	1249
Apr.	43535	-91875	41607	1928	824420	100000	9624	0	21	25764	0
May	44158	-111622	42050	2108	826473	127419	14076	0	47	14238	0
Two weeks ending[7]											
2008-Apr. 23	42643	-90384	40926	1716	823487	100000	9286	0	22	23719	0
May 7	43828	-85367	41845	1983	823663	100000	11622	0	31	17544	0
21	43406	-111012	41413	1994	825186	125000	13976	1	42	15401	0
June 4	45441	-130855	43087	2355	830242	150000	15936	1	66	10295	0
18p	41805	-130140	40030	1775	830797	150000	13260	112	69	8505	0

1   Reserves and monetary base figures incorporate adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (For more information, refer to table 3.)
2   Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves plus unadjusted excess reserves. (Also, refer to footnote 2 in table 2 and footnote 2 in table 3.)
3   Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves less unadjusted total borrowings 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, refer to footnote 3 in table 2 and footnote 4 in table 3.)
6   Prorated averages of biweekly averages.
7   Averages of daily figures.

p   preliminary

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Table 2

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Not adjusted for changes in reserve requirements[1]
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]	
Month[9]									
2007-May	43982	43878	42529	824982	9117	48659	34864	13794	
June	43653	43466	41902	826502	8734	49432	34919	14513	
July	42594	42332	40957	828306	8276	50207	34319	15889	
Aug.	44567	43592	39739	829677	10922	51043	33645	17398	
Sep.	42236	40669	40510	826566	8757	49633	33479	16154	
Oct.	41505	41251	40070	828380	8293	49755	33212	16543	
Nov.	41895	41530	40199	833101	8553	48995	33342	15653	
Dec.	42730	27300	40978	836350	8203	52162	34527	17635	
2008-Jan.	44064	-1596	42430	831106	8738	53162	35325	17837	
Feb.	42829	-17328	41120	828657	8172	53650	34657	18993	
Mar.	42675	-51848	39685	832364	9760	50447	32915	17532	
Apr.	43477	-91933	41550	830497	9257	49315	34220	15096	
May	45135	-110645	43027	833974	9688	48579	35447	13132	
Two weeks ending[10]									
2008-Apr. 23	43261	-89767	41544	829656	8859	49367	34402	14965	-184
May 7	45008	-84188	43025	829815	9629	48941	35379	13562	-42
21	43854	-110564	41860	832349	8990	48925	34864	14061	-35
June 4	47018	-129278	44663	839162	10707	47842	36311	11531	-17
18p	40630	-131315	38855	837270	7996	48535p	32635	15900	101

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 requirements[1]
Not seasonally adjusted
Millions of dollars

Date	Reserves of depository institutions			Monetary base[4]
	Total[2]	Nonborrowed	Required[3]	
Month[5]				
2007-May	44013	43909	42560	818484
June	43693	43506	41942	819999
July	42638	42376	41001	821881
Aug.	44611	43636	39783	822994
Sep.	42289	40722	40563	819971
Oct.	41560	41306	40125	821851
Nov.	41949	41584	40253	826646
Dec.	42745	27314	40993	829761
2008-Jan.	44037	-1623	42404	824418
Feb.	42826	-17331	41117	821880
Mar.	42671	-51852	39681	825566
Apr.	43461	-91949	41533	823382
May	45104	-110676	42996	826882
Two weeks ending[6]				
2008-Apr. 23	43243	-89784	41527	822493
May 7	44978	-84218	42995	822702
21	43823	-110595	41829	825282
June 4	46985	-129311	44630	832048
18p	40599	-131346	38824	830133

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 4).
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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