
FEDERAL RESERVE statistical release



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

H.3 (502)

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 2005, 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 \$1.6 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 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 2006, the low-reserve tranche is \$48.3 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). For all reserve maintenance periods ending in 2006, the reserve exemption level is \$7.8 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

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

May 4, 2006

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									
2005-Mar.	46728	46678	44946	1782	765844	49	13	0	37
Apr.	46393	46261	44719	1673	766866	132	52	0	80
May	45949	45810	44416	1534	768389	139	6	0	133
June	46425	46176	44649	1776	771184	249	85	0	164
July	45792	45368	44057	1736	772686	425	176	12	237
Aug.	44683	44321	43060	1623	774833	362	63	3	297
Sep.	45697	45365	43653	2044	778203	332	12	5	315
Oct.	44943	44660	43046	1897	780199	284	35	29	220
Nov.	44775	44649	42980	1796	783505	126	20	0	106
Dec.	44809	44641	42861	1949	786588	169	97	0	72
2006-Jan.	44129	44019	42689	1440	792075	110	78	0	32
Feb.	44193	44141	42639	1555	796597	53	21	2	30
Mar.	43701	43532	42202	1498	799043	169	119	0	50
Two weeks ending⁷									
2006-Mar. 1	44180	44141	42569	1611	797615	40	6	4	30
15	43752	43691	42026	1726	798791	61	15	0	46
29	43526	43279	42352	1174	799162	247	193	0	54
Apr. 12	44330	43883	42208	2122	800677	447	381	0	67
26p	44151	44048	42686	1465	801750	103	16	0	87

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									
2005-Mar.	46029	45980	44247	773840	12057	46749	33972	12777	
Apr.	46654	46523	44981	775283	12939	45342	33715	11627	
May	46474	46335	44941	775653	12015	45628	34460	11169	
June	46096	45847	44320	779530	11220	46280	34876	11404	
July	46468	46043	44733	782494	10851	47278	35617	11662	
Aug.	44862	44499	43238	782660	10346	48159	34516	13643	
Sep.	45612	45280	43568	785659	11140	47282	34472	12809	
Oct.	44113	43830	42216	786531	9630	49515	34483	15032	
Nov.	43997	43871	42201	792310	9500	49202	34497	14705	
Dec.	44909	44740	42960	801800	9541	51302	35368	15934	
2006-Jan.	47287	47177	45846	804402	10382	52040	36904	15136	
Feb.	44693	44641	43139	804464	9450	53260	35243	18017	
Mar.	42752	42583	41253	806152	9114	49587	33638	15949	
Two weeks ending¹⁰									
2006-Mar. 1	47094	47055	45483	806762	10276	51140	36819	14322	114
15	40230	40170	38504	805418	8987	48410	31244	17167	100
29	45188	44941	44014	806722	9137	50783	36051	14733	271
Apr. 12	41183	40736	39060	806995	9259	48675	31924	16752	30
26p	47467	47364	46002	809180	10949	48259	36518	11741	251

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				
2005-Mar.	45992	45943	44210	764699
Apr.	46575	46444	44902	766275
May	46360	46221	44826	766893
June	45968	45720	44192	770864
July	46310	45885	44574	773642
Aug.	44661	44298	43038	773624
Sep.	45398	45066	43354	776936
Oct.	43870	43586	41973	777640
Nov.	43711	43585	41915	783314
Dec.	44666	44497	42717	792872
2006-Jan.	47215	47105	45774	795325
Feb.	44707	44654	43152	796205
Mar.	42773	42604	41275	798126
Two weeks ending⁶				
2006-Mar. 1	47110	47071	45499	798756
15	40248	40188	38522	797285
29	45211	44964	44038	798757
Apr. 12	41209	40762	39086	799280
26p	47491	47388	46026	801581

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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