
FEDERAL RESERVE statistical release



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

H.3 (502)

November 5, 2009

SPECIAL NOTICE

Data on reserves and the monetary base have been revised to reflect the result of annual reviews of seasonal factors and break factors. Revisions to seasonal factors start in January 1999, while revisions to break factors begin in January 2008. 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.¹ Revisions to both types of factors are unusually large this year due to extraordinarily strong growth in net transaction accounts that did not follow the usual seasonal pattern over the year ending June 30, 2009.

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.

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 2009, the low-reserve tranche is \$44.4 million, rising to \$55.2 million for maintenance periods ending in 2010.

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 2009, the reserve requirement exemption is \$10.3 million, rising to \$10.7 million for maintenance periods ending in 2010.

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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

November 5, 2009

Date	Reserves of depository institutions				Monetary base ⁵	Total borrowings from the Federal Reserve, NSA
	Total ²	Nonborrowed ³	Required	Excess, NSA ⁴		
Month⁶						
2008-Oct.	315531	-332789	47629	267902	1130376	648319
Nov.	609675	-89110	50639	559036	1433199	698786
Dec.	820732	167166	53334	767397	1650883	653565
2009-						
Jan.	857422	293925	59189	798233	1701886	563496
Feb.	700386	117889	56904	643482	1556513	582497
Mar.	779588	167476	54964	724623	1642732	612111
Apr.	881019	322825	56652	824367	1749274	558194
May	900866	375418	56790	844076	1769674	525448
June	809188	370465	57824	751364	1680624	438722
July	794987	428026	61991	732996	1665695	366961
Aug.	828456	497006	62599	765857	1704364	331450
Sep.	922466	615640	62393	860073	1801234	306827
Oct. p	1056393	791335	61659	994734	1936456	265058
Two weeks ending⁷						
2009-Sep. 9	887847	567553	64663	823184	1762864	320295
23	915864	608564	61251	854612	1795771	307300
Oct. 7	980181	691617	61758	918424	1861492	288565
21	1047900	782671	61097	986803	1928687	265229
Nov. 4p	1121632	873268	62376	1059256	1999807	248364

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.

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Table 1a

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Not seasonally adjusted

Millions of dollars

Date	Total borrowings from the Federal Reserve	Term auction credit	Other borrowings from the Federal Reserve ¹							
			Primary	Secondary	Seasonal	Primary dealer and other broker-dealer credit ²	Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility	Credit extended to American International Group, Inc., net ³	Term Asset-Backed Securities Loan Facility	Other credit extensions
Month⁴										
2008-Oct.	648319	244778	94017	38	28	114953	117457	77047		0
Nov.	698786	393088	95839	117	8	60655	71009	78070		0
Dec.	653565	438327	88245	52	3	47631	32102	47206		0
2009-Jan.	563496	403523	70436	39	1	33061	17745	38690		0
Feb.	582497	438822	65463	11	3	26250	13533	38414		0
Mar.	612111	477049	62513	9	3	20292	7857	43328	1061	0
Apr.	558194	444933	47324	45	2	10918	4267	45057	5649	0
May	525448	403970	40124	14	10	701	23347	44915	12367	0
June	438722	316868	37302	21	32	0	18891	43057	22552	0
July	366961	255119	34366	66	80	0	6230	43108	27993	0
Aug.	331450	224490	32147	600	110	0	184	40021	33898	0
Sep.	306827	196731	29243	554	111	0	79	39074	41036	0
Oct. p	265058	155396	25163	402	82	0	28	41222	42765	0
Two weeks ending⁵										
2009-Sep. 9	320295	212110	31517	586	110	0	79	38849	37045	0
23	307300	196020	28434	569	117	0	79	39269	42813	0
Oct. 7	288565	178379	27938	482	102	0	79	38973	42614	0
21	265229	155442	25610	446	83	0	22	40578	43049	0
Nov. 4p	248364	139245	22594	286	67	0	0	43697	42475	0

1. The Federal Reserve Bank of New York (FRBNY) has extended credit to Maiden Lane LLC, Maiden Lane II LLC, Maiden Lane III LLC, and Commercial Paper Funding Facility LLC, as discussed in the notes to the Board's H.4.1 statistical release, "Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks." Consistent with generally accepted accounting principles, the assets and liabilities of these LLCs have been consolidated with the assets and liabilities of the FRBNY because the FRBNY is either the sole or primary beneficiary of the LLCs. As a consequence of this consolidation, the extensions of credit from the FRBNY to these LLCs are eliminated from the Federal Reserve's balance sheet, and, thus, the loans are not included in borrowed reserves.

2. Includes credit extended through the Primary Dealer Credit Facility and credit extended to certain other broker-dealers.

3. Includes outstanding principal and capitalized interest net of unamortized deferred commitment fees and allowance for loan restructuring. Excludes credit extended to consolidated LLCs as described in footnote 1 above.

4. Prorated averages of biweekly averages.

5. Averages of daily figures.

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Table 2

AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND THE MONETARY BASE

Not 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									
2008-Oct.	314888	-333431	46986	1132506	278021	54243	36867	17375	
Nov.	609503	-89282	50467	1441062	571079	55575	38424	17151	
Dec.	821302	167736	53904	1663927	783635	56215	37667	18548	
2009-Jan.	860670	297174	62437	1712076	820933	56361	39737	16624	
Feb.	701261	118764	57779	1562247	662244	56797	39017	17780	
Mar.	778125	166014	53502	1646927	740998	53157	37127	16030	
Apr.	881836	323642	57469	1752736	844596	51850	37240	14610	
May	902944	377496	58868	1774877	865427	51390	37517	13873	
June	809853	371131	58489	1684029	772066	52343	37787	14556	
July	796543	429581	63546	1673101	758883	51724	37660	14064	
Aug.	828786	497336	62929	1706189	790765	51986	38021	13965	
Sep.	922620	615794	62547	1800107	884159	52087	38461	13626	
Oct. p	1056817	791760	62083	1935852	1017782	53057	39036	14021	
Two weeks ending¹⁰									
2009-Sep. 9	886635	566340	63450	1763203	848300	51365	38335	13030	2118
23	916573	609274	61961	1794811	878503	52143	38070	14073	1823
Oct. 7	980983	692419	62559	1858146	941578	52904	39405	13498	2021
21	1046556	781328	59753	1928142	1007849	54167	38708	15459	2024
Nov. 4p	1124268	875904	65012	2001040	1085031	51609	39237	12372	1970

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				
2008-Oct.	314703	-333617	46801	1125885
Nov.	609284	-89502	50248	1435147
Dec.	821071	167505	53673	1659224
2009-Jan.	860593	297097	62360	1707612
Feb.	701139	118641	57657	1557721
Mar.	777895	165784	53271	1642329
Apr.	881422	323228	57055	1748069
May	902370	376922	58294	1770180
June	809175	370453	57811	1679359
July	795667	428706	62671	1667802
Aug.	827715	496265	61858	1700700
Sep.	921398	614571	61325	1795423
Oct. p	1055411	790354	60677	1931500
Two weeks ending⁶				
2009-Sep. 9	885455	565161	62271	1758289
23	915370	608070	60757	1790105
Oct. 7	979666	691102	61243	1853802
21	1045206	779978	58403	1923786
Nov. 4p	1122720	874356	63465	1996689

Note: Current and historical H.3 data are available each week on the Federal Reserve Board's website (<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.

- Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements.
- Break-adjusted total reserves equal break-adjusted required reserves (table 3, column 3) plus excess reserves NSA (table 1, column 4).
- 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.
- 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.
- Prorated averages of biweekly averages.
- Averages of daily figures.

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