

DEPARTMENT OF TRADE AND COMMERCE  
DOMINION BUREAU OF STATISTICS - CANADA  
INTERNAL TRADE BRANCH

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PRELIMINARY SUMMARY OF PRICE MOVEMENTS, JANUARY, 1935.

COMMODITY PRICES

The general wholesale commodity price level advanced moderately during January. A definite upward tendency was apparent as the month commenced, but many basic commodity markets reacted sharply about the 15th, when confidence was shaken by the possibility that holders of United States gold bonds might be able to demand payment in the equivalent of old gold dollars. The decline was soon followed by substantial recovery, and subsequently market fluctuations were narrow. This outline affords a rough description of market movements of grains, cotton, silk, cattle, hogs and hides. Butter rose steadily, week by week, but eggs declined sharply. Copper prices weakened slightly but other non-ferrous metals showed little change. An anticipated advance in newsprint quotations failed to materialize. A general index number of wholesale commodity prices was 71.7 for the fourth week of January as compared with 71.3 a month earlier, and 70.8 at the end of January 1934.

SECURITY PRICES

Security prices with the exception of gold stocks moved slightly higher during January despite a short mid-month reaction. This was sharpest in the case of gold stocks, which turned lower again towards the close of the month. Industrials as a group advanced strongly in the first two weeks and then turned downward as already indicated. The mid-month decline, however, removed less than one half of the earlier gain, and markets held fairly steady for the two final weeks. Advances for beverage stocks, textiles, and iron and steel were better than average, while milling issues were weaker. Utilities were relatively stronger than industrials. Yields on Dominion government bonds after falling rapidly in the final quarter of 1934, held firm during January. Yields on industrial bonds continued to move predominantly downward.

January 1935

	1st Week	2nd Week	3rd Week	4th Week	5th Week	First Week of January 1934
Industrials ..	131.7	133.0	130.4	130.6	129.2	115.4
Utilities ....	48.5	50.3	49.7	51.0	50.2	48.7
Gold Stocks ..	128.2	128.9	121.9	123.0	119.0	103.1

FOREIGN EXCHANGE

Exchange relationships in January underwent noteworthy changes. The United States dollar which had been at a discount at Montreal since last March, advanced from roughly 99 to 100 1/8. Gold bloc currencies were unsteady, particularly in the last two weeks, and British and American Exchange Equalization authorities were credited with entering the market on January 29 to ensure stability. Sterling rates held close to \$4.90 for the first ten days, then dropped to \$4.87, and after recovering to \$4.89 in the fourth week, closed the month at \$4.88.

January 1935

(Montreal rates supplied by the Bank of Montreal)

	1st Week	2nd Week	3rd Week	4th Week	5th Week
Sterling .....	4.905	4.897	4.882	4.886	4.877
New York funds.	.994	.996	1.000	1.001	1.002
French franc ..	.066	.066	.066	.066	.065

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