

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

Historical File Copy

Dominion Statistician:	R.H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Chief, Internal Trade Branch:	Herbert Marshall, B.A., F.S.S.
Prices Statistician:	H.F. Greenway, M.A.

PRICE MOVEMENTS, JULY, 1936 (PRELIMINARY)

COMMODITIES

Commodity markets strengthened generally in July, as indicated by the Dominion Bureau of Statistics index number of wholesale prices which rose from 72.8 for the week ended July 3 to 75.4 for the week of July 31. Major gains were shown for grains, live-stock, eggs and copper. Crop news remained an important feature of the wheat situation. Drought conditions continued, export demand was reported better and prices advanced with only short lived interruptions. Between the 25th and the 31st, No. 1 Manitoba Northern cash wheat mounted steadily from 94½¢ to 103 3/8¢ per bushel. This compares with 80 5/8¢ per bushel at the close of June. Hog markets were firm, and despite unseasonably heavy runs, cattle prices moved forward. As receipts of fresh eggs became lighter, a marked firmness in markets developed while an almost acute shortage of top grades was recorded at several centres. A heavy wave of buying which culminated in a record day's sale of 106,101 tons was reported in the United States market as preceding the rise in copper to 9¾¢ per pound, Connecticut Valley basis on July 21. Raw cotton and rubber attained the highest points for the year to date and silk recovered the losses sustained during the previous two months. Losses for potatoes, calves, silver and tin were of minor significance.

COST OF LIVING

A moderate advance in food prices was reflected in a slight rise in the general Canadian cost of living index from 80.2 in June to 80.5 in July. The comparative figure for July, 1935, was 78.8. The July food index was 72.6 as compared with 71.3 in the month preceding. Since the low point of March, 1933, food prices have advanced 20.2 per cent, but considerably more than double this increase would be necessary to raise the index to its 1929 level. As between June and July, butter, eggs, choose, onions, potatoes and most meats were higher, while milk, lard, shoulder beef and mutton recorded declines.

SECURITIES

A generally upward movement in prices of industrial stocks (Oils excepted) brought the index for the week ended July 23 to 192.8, the high point for the month. Foods and Beverages reacted slightly in the following seven-day period and by the close of the week of July 30, the index had receded to 192.3 which was still 1.7 points higher than at the end of June.

Mining stocks were active and noteworthy gains featured the base metals. In the gold sections, all classifications shared in the rise but advances in juniors were more pronounced. The Dominion Bureau's index for mining stocks rose from 154.4 for the week of July 2 to 161.0 for the week of July 30, marking a gain of 2.3 p.c. for golds and 8.8 p.c. for base metals.

Dominion of Canada long-term bond prices continued firm and the index mounted steadily from 117.5 for the week of July 3 to 118.4 for the week ended July 30. Yields again moved down and the index for the month was 65.1 as compared with 66.9 in June.

FOREIGN EXCHANGE

Firmness in foreign exchange markets in the early part of July was attributed chiefly to statements indicating a cessation of the outflow of gold from France. On July 9, a further reduction to 3 p.c. in the Bank of France discount rate was announced, and on July 7 the Bank of Netherland's rate also moved down to 3 p.c., marking the third decline within a fortnight. Subsequent to accounts of increased political unsettlement in Spain, the French franc weakened. Other gold currencies followed but selling pressure was regarded as light and recessions were of moderate proportions. Despite official control measures, the Spanish peseta at Montreal fell from 13.77¢ on the first to a nominal quotation of 13.64¢ on the 31st. Concurrent with considerable acquisitions of Canadian funds on the part of United States grain interests, for the reputed purposes of wheat settlements, the Canadian dollar strengthened. For the first time since early May, the Canadian dollar was quoted on par with American funds on July 24, at which level it remained till the 31st, when a discount of .03 p.c. was recorded.

STATISTICS CANADA LIBRARY
BIBLIOTHEQUE STATISTIQUE CANADA



1010711524

Reproduction of the original
document