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PRICE MOVEMENTS, NOVEMBER, 1939 (PRELIMINARY)

COMMODITIES

Industrial Material prices fluctuated narrowly during November, and the Bureau's weekly index declined from 118.1 at the close of October to 118.0 for the week ending December 1. This marked an increase of approximately 18 p.c. over pre-war levels in August, and about 20 p.c. above the levels of November 1938. Both the Stable and the Food Material groups moved higher, with much of the advance occurring in the final three weeks. Manufacturing Materials, on the other hand, gradually lost ground throughout most of the month, although this group had previously maintained substantial advances during October, while foods were reactionary.

The index for General Wholesale Commodities remained relatively steady until the 10th, but thereafter rose to 80.2 for a monthly gain of 1.2. All of the major groups were buoyant, with the exception of Non-Ferrous Metals, which moved slightly lower. Textiles were outstanding with an advance of nearly 7 p.c., while grains rose sharply in the last week as quantity buying for overseas account was in evidence. Earlier gains in raw materials have been reflected recently in scattered advances for manufactured products.

COST OF LIVING

Moderate advances in food and fuel prices, together with increases in gasolene in several cities, caused the Canadian cost of living index to mount from 84.7 in October to 85.0 in November. The comparative figure for November 1938, was 83.8. A retail food price index rose from 79.8 to 80.5, influenced by gains in fish, eggs, butter, cheese, lard, milk, canned vegetables, dry beans, prunes, raisins, sugar, tea and coffee. The sharp increases which occurred in meat prices in October were partially cancelled by declines in November. Other foods to record decreases were potatoes, onions, currants, canned fruits, cocoa, and pepper. Sharper than usual seasonal advances in prices of coal, coke and wood resulted in a rise in the fuel index from 85.1 in October to 86.1 in November. The index for miscellaneous items moved up from 94.1 to 94.2 due to the gasolene price increases noted above.

STOCKS AND BONDS

More than cancelling all gains accumulated since the final week of September, the Bureau's daily index for 95 industrial and utility common stocks dropped 6.7 p.c. to 99.9 between October 31 and November 30. Of the thirteen groups comprising the composite index eleven showed losses on the month, varying between 14.9 per cent for pulp and paper and 0.1 per cent for textile and clothing issues. Substantial losses were also shown for transportation stocks, down 13.1 per cent and oils, down 12.4 per cent. Minor increases were recorded for banks, up 2.5 per cent at 84.9 and telephone and telegraph shares, up 0.7 per cent at 126.6. In the mining section price declines, while general, were smaller than in the industrial and utilities section. A composite daily index for 25 mining issues declined 3.8 per cent during the month or from 146.3 on October 31 to 140.7 on November 30. Base metals led the decline, a daily index for this series dropping 5.4 per cent to 292.6. A similar series for 22 golds finished a month of steadily declining prices at 104.1 for a net loss of 2.8 per cent. Dominion of Canada long-term bond prices remained relatively steady, moving between a daily index level of 112.7 and 113.4. The close at 113.1 indicated a net loss of only 0.1 since October 31.

FOREIGN EXCHANGE (Quotations are Montreal noon rates unless otherwise specified)

Sterling free rates at New York ranged between a high of $4.00 on November 1 and a low of $3.85 on the 9th, while the close at $3.88 1/4 indicated a net decline in November of 11 3/4¢. Closing sterling rates were 13 3/4¢ below the official buying rate of $4.02 at New York established by the Bank of England in September. Sterling forwards also showed weakness, discounts on 90-day futures, New York on London, widening from 2 1/2¢ at the beginning of the month to 5 3/4¢ at the close. Canadian funds which dropped 3 1/8¢ to 86 5/8¢ between October 31 and November 30 moved between 90¢ on the 2nd and 86¢ on the 22nd. At Montreal, French francs, following the pattern set by sterling at New York, declined 8 points to finish at 2.44¢. Substantially increased pressure on the Belgian belga dropped quotations to a low of 17.98¢ on November 10 though the close at 18.33¢ showed a net loss of only 15 points. Dutch florins, while holding relatively steady in the spot market at approximately 58.92¢, were weak in the forward market. Discounts on 90-day futures, New York on Amsterdam, jumped from 18 points on the 1st to a high of 185 points on the 10th but later reacted to 120 points at the close. Argentine pesos (free rates) were easier, depreciating 1/2¢ in terms of the Canadian dollar to 25.47¢. No change occurred in daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds. These remained at $4.43-$4.47 and $1.10-$1.11 respectively.