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PRICE MOVEMENTS, DECEMBER, 1939 (PRELIMINARY)

COMMODITIES:

Following six weeks of relative quiet, Industrial Material prices turned upward again as November drew to a close. During December, quotations strengthened sufficiently to raise the Bureau's index, on the base August 1939-100, from 118.0 for the week ending December 1 to 121.0 for the week ending December 29. The chief reason for this advance lay in the parallel increases of Manufacturing and Food Material prices, which since mid-September, had been working in opposite directions. After declining from the first week in November, Manufacturing Materials stiffened in the week ending December 15, and rose to within 0.7 of the year's high of 133.1, touched in the week ending November 3. Food Materials continued to advance, and at 128.9 stood 14.1 above the recent low of 114.8 reached in the week of November 10. Little change occurred in the Stable group, which remained at 106.9 throughout the month.

The rise in the General Wholesale Commodity index, which began early in November, carried through December. In the final week this index stood at 82.2, which was approximately 12 p.c. above the corresponding week of 1938. The upward movement covered a wide front, and of the eight major groups included in this index, Animal Products, alone, closed at a lower level. This group fell from 80.7 for the week ending December 1 to 79.9 for the week ending December 15, but then rose to 80.2 for the week ending December 29.

Canadian Farm Products were buoyant, closing at 70.2. This marked an increase of 7 p.c. for December, and 8 p.c. for the year.

COST OF LIVING:

The Dominion Bureau of Statistics cost of living index for Canada rose from 85.0 in November to 85.5 in December, increases for clothing and miscellaneous items influencing the index more than a decrease in food prices. The comparative figure for December, 1938, was 83.6. Following a gradual advance of approximately 8.5 per cent which extended over the period from September to November, food prices reversed direction to record a decline from 80.5 in November to 79.3 in December. Moderate declines occurred in most meats, lard, Grade "A" eggs, milk, sugar and flour, while codfish, canned salmon, dairy butter, cheese, tea, coffee and cocoa recorded gains. Clothing indexes advanced from 73.1 for the quarter ended in November to 75.9 in December. Advances also occurred in household effects and furniture, together with increases of lesser importance in tobacco prices and gasoline. These resulted in a rise in the index for miscellaneous items from 94.5 in November to 95.7 in December. No change occurred in the index for fuel prices which remained at 86.1.

STOCKS AND BONDS:

Canadian industrial and utility stock listings, with the exception of pulp and paper issues did not show any marked response to generally favourable reports from Canadian industry during December. A moderate advance in the opening week of the month lifted the Bureau's composite index for 95 common stocks from 99.9 on November 30 to a peak of 102.4 on December 7. The index showed little variation for the balance of the month, the year-end figure of 101.2 indicating a net rise of 1.3 per cent. Compared with the index level a year ago prices were approximately 7 per cent lower. The pulp and paper sub-group index which advanced 4.6 points during the month to 25.2 was the only one to show an index change greater than 9 per cent. The oils index which closed 1.8 per cent lower at 160.1 registered the largest decline. A gain of 5.3 per cent in transportation issues partly accounted for a 2.7 per cent rise to 45.6 in the section index for 19 utilities. The section index for 68 industrials, which is usually more active, added only 1.2 per cent to 165.4. In the mining section advances, though moderate, were general throughout the list. A representative list of 22 gold issues finished 3.4 per cent higher at 107.6 while a similar series for 3 base metals ended up 3.6 per cent at 303.2. There was a net increase of 3.5 per cent to 145.6 in the composite index for 25 mining stocks. Compared with the final 1938 figure this index showed a drop of 9.8 per cent. Paralleling movements in other security markets, a daily index of representative Dominion of Canada long-term bond prices rose to a peak of 113.3 on the 6th, but subsequently declined to 113.0 on the 30th for a net loss of 0.1. Closing 1939 figures showed long-term bonds prices about 4 per cent below levels a year earlier.

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

The announcement was made on December 12 of a financial agreement between the Governments of Great Britain and France whereby the currencies of these two countries were stabilized at 176 1/2 francs to the £ sterling until six months after the signature of a peace treaty. Subsequent to this accord sterling free rates at New York moved considerably higher to finish the month at \$3.95 7/8 for a net advance of 7 5/8¢. Canadian funds rose 2¢ during the month to close at 88 5/8¢. At Montreal French francs, reflecting sterling strength, closed 6 points higher at 2.50¢. Neutral European units also were stronger, belgas finishing up 30 points at 18.63¢ while florins were 14 points higher at 59.06¢. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.



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INDUSTRIAL MATERIALS INDEX (PRELIMINARY)

The following six weeks of relative price... Industrial materials prices... The index... 1952-1953... 1954-1955... 1956-1957... 1958-1959... 1960-1961... 1962-1963... 1964-1965... 1966-1967... 1968-1969... 1970-1971... 1972-1973... 1974-1975... 1976-1977... 1978-1979... 1980-1981... 1982-1983... 1984-1985... 1986-1987... 1988-1989... 1990-1991... 1992-1993... 1994-1995... 1996-1997... 1998-1999... 2000-2001... 2002-2003... 2004-2005... 2006-2007... 2008-2009... 2010-2011... 2012-2013... 2014-2015... 2016-2017... 2018-2019... 2020-2021... 2022-2023... 2024-2025...

The index... 1952-1953... 1954-1955... 1956-1957... 1958-1959... 1960-1961... 1962-1963... 1964-1965... 1966-1967... 1968-1969... 1970-1971... 1972-1973... 1974-1975... 1976-1977... 1978-1979... 1980-1981... 1982-1983... 1984-1985... 1986-1987... 1988-1989... 1990-1991... 1992-1993... 1994-1995... 1996-1997... 1998-1999... 2000-2001... 2002-2003... 2004-2005... 2006-2007... 2008-2009... 2010-2011... 2012-2013... 2014-2015... 2016-2017... 2018-2019... 2020-2021... 2022-2023... 2024-2025...

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