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DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

1939

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PRICE MOVEMENTS, FEBRUARY, 1939 (PRELIMINARY)

COMMODITIES

The inertia which has characterized wholesale commodity price movements since the second week in September continued throughout February and the Dominion Bureau of Statistics' index moved narrowly from 73.2 for the week of January 27 to 73.3 for the week of February 24. Six of the eight groups comprising the index showed fractional reductions but buoyancy in Vegetable and Animal Products proved the dominant factor. Grains moved slightly higher influenced in some degree by indications of a change in Government policy with respect to wheat. Smaller receipts of livestock more than offset the depressing effect of curtailed exports to United States markets following the filling of quota allotments for the first quarter. The Industrial Material Prices index ranged from 64.2 to 64.7 during February but closed without net change at 64.5. The Stable group drifted 0.3 lower to 87.8 while the Sensitive index advanced from 52.4 to 52.6. Rising food material prices were entirely responsible for this increase as the Food Materials index rose from 56.8 to 57.4 whereas the index for Manufacturing Materials closed unchanged at 50.8.

COST OF LIVING

Moderate reductions in food prices, augmented to some extent by easier quotations for wood and coke, resulted in a decline in the Canadian cost of living index number from 83.1 in January to 82.9 in February. The comparative figure for February 1938, was 83.9. The food price index fell from 75.2 to 74.5, declines for eggs, lard, bacon, salt pork and soda biscuits being of more importance than a lengthier list of increases including butter, potatoes, tea, canned salmon, codfish and fresh meats. Moderate recessions for wood and coke accounted for a decline in the fuel index from 85.7 to 85.5.


STOCKS AND BONDS

Price adjustments on Canadian stock exchanges, though narrow, were generally toward higher levels during February. Following a sharp advance from the low points touched in the final days of January, the Bureau's index for 95 common stocks ruled comparatively steady at approximately 104 until the last week of February. A moderate rally then moved this series from 104.1 on the 23rd to a monthly high of 105.6 on the closing day. This compared with 103.4 on January 31. Individual strength in selected issues moved all sub-groups up except those for machinery and equipment, pulp and paper and transportation. The industrial section index advanced 3.6 to 176.6 while the utilities index registered a gain of 1.4 to 43.6. Banks were unchanged at 85.5. Mining shares, following the pattern set by industrials and utilities, also gave their best display towards the end of the month. The general index for 24 mining issues stood at 160.4 on February 28 compared with a low of 157.0 on the opening day and 158.3 on January 31. Closing daily indexes for the gold and base metal sub-groups were 122.2 and 318.5 compared with 121.2 and 311.9 on January 31. An index of Dominion of Canada long-term bond prices moved up 0.9 to 117.7 between January 31 and February 28.

FOREIGN EXCHANGE

Varying tendencies were exhibited by leading foreign currencies at Montreal during February. Sterling rates were exceptionally steady and the pound closed the month at \$4.7075 compared with a high of \$4.7115 on February 7 and \$4.7067 on January 31. Continental European currencies were again featured by a sharp decline in the Netherland florin which dropped to new low levels since October 1936 and closed at 53.36¢ for a loss of 79 points. The relapse was attributed principally to a continued exodus of foreign capital to other banking centres. Internal political difficulties during the latter half of February had an adverse effect on the Belgian belga which closed at 16.89¢ compared with 17.01¢ at the end of January, while incoming capital supported a rise of 11 points to 22.83¢ in Swiss francs. A slightly easier tendency has prevailed for United States funds at Montreal since the beginning of 1939 and the premium on the dollar receded slightly from 5/8 to 13/32 of one per cent between January 31 and February 28.

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