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PRICE MOVEMENTS, OCTOBER, 1940 (PRELIMINARY)

Supported by seasonal increases in certain commodities, notably in the vegetable and animal sub-groups, the Bureau's general wholesale price index advanced 0.8 p.c. to 83.6 between the weeks ended September 27 and November 1. In the same period an index for 30 industrial materials advanced 0.9 p.c. to 79.1, due mainly to increases recorded in the foods and manufacturing sub-groups. For Canadian farm products a net increase of 2.4 p.c. was registered during the month, bringing the index to 65.0. Seasonal increases for fresh milk and eggs were largely responsible for the gain.

The October cost of living index was 107.0 as compared with 106.4 for September (1935-1939=100). Foods, rent, clothing and home furnishings contributed to this increase, while the fuel index declined slightly, and the miscellaneous section was unchanged. Foods advanced from 105.4 to 106.1, rent from 106.9 to 107.7, clothing from 112.4 to 113.5, and home furnishings from 108.9 to 109.7. The fuel index dropped from 108.5 to 108.0 due to several downward revisions in domestic gas rates; the miscellaneous group remained at 102.8.

Domestic security prices were featured during October by diverse tendencies in industrial and utility stocks on the one hand, and mining stocks on the other. Between September 30 and October 31 the Investors' daily index for 95 common industrial and utility stocks declined 2.8 p.c. to 79.7, while a daily index for 25 mining stocks moved up 1.9 p.c. to 114.3 in the same interval. In the former series all groups with the exception of machinery and equipment, beverages, and telephone and telegraph showed net declines, while for the latter series gains were noted for both golds and base metals. Dominion of Canada long-term bond prices maintained a firmer tone, an index for this series moving up 0.5 p.c. to 116.1 during the month. Yields were correspondingly lower at an index level of 70.8.

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively during the month under review. At New York trading in free sterling was reported very light, while rates held relatively steady, hovering between \$4.04 and \$4.02 1/2. Following a weak opening Canadian dollar rates at New York stiffened to reach a peak for the month of 87 1/8¢ on the 16th, while the close at 86 13/16¢ was 1 5/16¢ above the opening level. Among Latin-American units an easier tone was in evidence at Montreal during the latter part of the month. Coinciding with reports of a \$20,000,000 credit by the United States Export-Import bank and an inflow of 'refugee' funds from the United States, the Argentine peso (free rate) touched 26.46¢ on October 16, but subsequently reacted to 25.72¢ at the close for no net change.

SUMMARY OF PRICE INDEXES

(1926=100 for Wholesale and Security Prices)

(1935-39=100 for Retail Prices, Rents, and Services)

	Oct. 1939	Sept. 1940	October, 1940			
			Week ended -			
			10th	17th	24th	31st
WHOLESALE						
General-567 Price Series	79.6	83.1	83.4	83.3	83.5	83.6
Industrial Materials	77.4	78.1	78.7	79.0	79.3	79.1
Canadian Farm Products	64.8	63.8	64.2	64.6	65.0	65.0
RETAIL PRICES, RENTS AND SERVICES (1st of month)	103.5	106.4	107.0			
SECURITY PRICES						
Investors' Price Index (95 common stocks)	106.0	83.2	82.7	80.7	81.1	80.1
68 Industrials	177.0	132.9	132.3	123.3	128.9	127.1
19 Utilities	45.7	39.3	39.1	38.6	38.8	38.4
Mining Stock Price Index (25 stocks)	144.7	111.1	113.6	112.3	114.3	113.7
22 Golds	106.6	83.4	85.9	85.5	86.9	85.0
3 Base Metals	299.6	227.3	223.3	224.4	228.4	233.6
Dominion of Canada Long-Term Bonds						
Price Index	111.3	115.7	115.8	116.0	116.1	116.1
Yield Index	76.5	71.3	71.1	70.9	70.8	70.8
FOREIGN EXCHANGE QUOTATIONS - noon rates (Bank of Canada) at Montreal						
Sterling xdollars..	4.4500	4.4500	4.4500	4.4500	4.4500	4.4500
U.S. dollars xdollars..	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050
Indian rupeecents....	33.62	33.59	33.59	33.59	33.59	33.59
Argentine peso - free market.cents....	26.04	25.75	26.04	26.28	26.23	25.83

* Week ends Friday instead of Thursday. x Average of daily buying and selling rates set by the Canadian Foreign Exchange Control Board since September 18, 1939.



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