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PRICE MOVEMENTS, JUNE, 1940 (PRELIMINARY)

Following a relatively sharp decline in May, the Bureau's weekly wholesale index of 567 price series showed only a fractional drop of 0.1 to 81.6 during June. Among the eight material groups, changes ranged between a net loss of 0.6 points for Vegetable Products and gains of 0.3 for Animal, Iron and Chemical Product groups. For a number of individual commodities, sharp seasonal changes occurred, notably increases for onions and potatoes and declines for hides and skins and fresh milk. Industrial material prices stiffened in the first half of June due to fractional increases in the stable price group index and in manufacturing materials. However, these gains were almost cancelled in the second half and the close at 77.9, recorded a net gain for June of only 0.1.

The Bureau's index of retail prices, rents and costs of services remained at 86.0 for June. A decline from 78.6 to 78.0 for foods was balanced by increases in clothing from 78.3 to 79.1, and in the sundries sectional index from 95.5 to 95.6. Among the foods, increases in onions, sugar, and salt, were overbalanced by declines for meats, butter and cheese. Scattered advances occurred in clothing and household furnishings, with women's silk hose recording the only noteworthy decline in these groups.

Security prices during June were more responsive to war developments than to increasing industrial activity. The Investors' index of 95 common stock prices registered a net decline of 3.6 p.c. to 69.9 during the month, and the June 26 index of 68.5 established a new seven-year low. With the major exception of industrial mines which moved up 12.9 p.c., most sectional groups declined. The greatest losses among industrials occurred in the oil group which was down 16.7 p.c. to 91.5 on June 29. Utilities dropped 4.9 p.c. and banks 7.5 p.c. Approximately equal proportionate losses for gold and base metal stocks, depressed an index of 25 mining stock prices 6.4 p.c. to 87.2. Dominion of Canada long-term bond prices continued to resist depressing influences and an index for this group closed at 114.3 for a loss of only 0.2 p.c. in June.

Foreign exchanges were featured by a sharp advance in free market rates for sterling at New York which netted 57 1/4¢, although the June closing level of \$3.80 was down appreciably from the seven-month peak of \$4.00 touched on June 27. Canadian dollar free market rates at New York paralleled this movement by advancing from 78 1/8¢ at the end of May to 85 1/2¢ and then reacting to 83 1/8¢ at the close. Argentine peso free rates at Montreal dropped 83 points in June to 23.87¢. Official buying and selling rates set by the Foreign Exchange Control Board for sterling and United States funds remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

SUMMARY OF PRICE INDEXES
 (1926=100 for all index series)

	June 1939	May 1940	June, 1940			
			6th	Week ended - 13th	20th	27th
WHOLESALE						
General - 567 Price Series	73.3	82.1	81.9	81.8	81.5	81.6
Industrial Materials	65.3	78.6	78.1	79.1	78.0	77.9
Canadian Farm Products	63.2	68.0	65.7	65.5	63.8	64.2
RETAIL PRICES, RENTS AND SERVICES	82.9	86.0	-----86.0-----			
(1st of month)						
SECURITY PRICES						
Investors' Price Index (95 common stocks)	97.0	80.4	72.3	72.6	72.6	70.2
68 Industrials	157.6	125.8	111.0	112.1	113.0	108.9
19 Utilities	43.7	39.4	36.8	36.2	35.4	34.9
Mining Stock Price Index (25 stocks)....	153.9	106.8	92.6	92.1	90.0	89.4
22 Golds	116.5	79.6	70.0	68.9	66.5	66.8
3 Base Metals	308.6	221.1	186.5	190.0	188.0	182.0
Dominion of Canada Long-Term Bonds						
Price Index	119.1	115.4	114.5	114.5	114.3	114.4
Yield Index	67.0	71.8	72.9	72.8	73.3	73.0
FOREIGN EXCHANGE QUOTATIONS -noon rates (Bank of Canada) at Montreal						
Sterling xdollars	4.6923	4.4500	4.4500	4.4500	4.4500	4.4500
U.S. dollars xdollars	1.0021	1.1050	1.1050	1.1050	1.1050	1.1050
Indian rupeecents	35.00	33.59	33.59	33.59	33.59	33.56
Argentine peso - free markets.....cents	23.26	25.14	24.87	24.61	24.25	23.99

*Week ends Friday instead of Thursday. x Average of daily buying and selling rates set by the Canadian Foreign Exchange Control Board since Sept. 18, 1939. Current buying and selling rates are \$4.43-\$4.47 for sterling and \$1.10-\$1.11 for United States funds.

